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Improving Customer-Based Brand Equity: On-line and Off-line Programs for B2C Company

-- Case Company: VANCL

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ABSTRACT

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The objective of this research was to study the short-term process of building customer-based brand equity in the on-line shopping industry and provide managerial suggestions for Vancle to improve its customer-based brand equity.

In order to achieve the main aim, the following sub research problems based on theoretical study were separately set. First, how do audiences feel about Vancle's brand elements? Second, what is the attitude and experiences of customers towards Vancle's products, price and distribution channels? Third, what kind of marketing communication tools does Vancle use in spread its brand?

The theoretical study applied the brand awareness and brand association of customer-based brand equity as proposed by Kevin Keller, including choosing brand elements, developing marketing programs and the leveraging of secondary associations. Furthermore, the questionnaire was designed based on theoretical study, as the same as the empirical findings.

These empirical findings provide a foundation for managerial recommendations for Vancle to enhance the company's brand awareness and brand associations, which will be stated in the end of the thesis.

Keywords	Customer-based Brand Equity, Brand Elements, B2C Company, Marketing Programs
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TIIVISTELMÄ

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Tämän tutkimuksen päämääränä on oppia asiakaskeisen brändiarvon lyhyen aikavälin prosessia verkkokauppa-alalla ja tarjota johtamisoppeja Vanc:lle parantaakseen heidän asiakaskeistä brändiarvoaan.

Jotta voidaan saavuttaa päämäärä, seuraavanlaiset kysymykset koskien teoreettista osuutta täytyy käsitellä erikseen. Ensiksi, mitä kuluttajat tuntevat Vanc:in brändin eri elementtejä kohtaan. Toiseksi, mikä on kuluttajien asenne ja kokemus yrityksen tuotteista, hinnoista sekä jakelukanavista. Kolmanneksi, minkälaisia markkinointikommunikaatioapuvälineitä yritys käyttää levittääkseen brändiään.

Tutkimuksen teoreettinen osuus käytti Kevin Kellerin esittämää brändituntemusta ja asiakaskeisen brändiarvon brändiyhdistystä, sisältäen seuraavat vaiheet; valitse brändielementit, develop markkinointiohjelmat ja toissijaisten yhdistysten vipuvaikutus. Lisäksi, kysymyspaletti on suunniteltu teoreettisen osan pohjalle, kuten myös empiiristen löydösten pohjalle.

Nämä empiiriset löydökset tuovat johtamissuosituksen yritykselle, auttavat sitä parantamaan bränditunnettavuutta ja brändiyhdistyksiä, jotka todetaan tutkielman lopussa.

Avainsanat	Asiakaskeistä Brändiarvoa, B2C Yritykselle, Brändin Elementtejä, Markkinointikommunikaatioapuvälineitä
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1. Introduction

In the beginning of the thesis, the study background will be first introduced. It includes two parts – a brief of online clothing business and an introduction of consumer features – based on Business-to-Consumer online marketing. Then the research problems and objectives will be presented. At the end of this chapter, the limitation of this research and the structure of this thesis will be displayed.

1.1 Background of the Study

According to Wikipedia, internet marketing, also known as web marketing, online marketing, webvertising, or e-marketing, is referred to as the marketing (generally promotion) of products or services over the Internet (Wikipedia: Internet Marketing 2008). However, its scope has expanded to the marketing which is done by e-mail or wireless media, such as television shopping, telephone shopping, catalogue shopping through e-mail and so on.

Online shopping as a modern, simple, convenient and fast way is playing a more significant role in our daily life, with the development of information technology and logistics level and peoples' requirement for efficient and economic shopping.

For the manufactures, online shopping means a free market space, adequate demand and huge profit because of its low-entrance requirements, low product costs compared with local stores and possibly a big market share.

For this reason, many more enterprises have entered into online marketing, not only emerging enterprises such as Amazon, but also the traditional clothing companies such as Hennes & Mauritz. However, more and more online shopping companies mean fiercer competition. Some companies become much stronger and gain more customers, while the others cannot withstand the pressure of the competition or cannot change their marketing strategies to meet the changing consumer requirements.

The former paragraphs indicate the reason that the author chooses this topic, which – building and enhancing brand equity of an online clothing brand.

1.1.1 Online Clothing Business

Clothing is the biggest group of all the products in the online market including, for example books, home appliances, mobile phones etc..

According to the survey taken by Iresearch in 2011, of all kinds of e-commerce products, clothing commodities including shoes, hats, bags and suitcases and accessories was more than 1 billion and took the highest share(22.8%) of all products sold.

In 2010, online clothing market rose by 119.3 percentages. In 2011, it was 2.049 billion and rose by 94.7 percentages. Estimated to 2014, the online clothing business will be 5.195 billion.

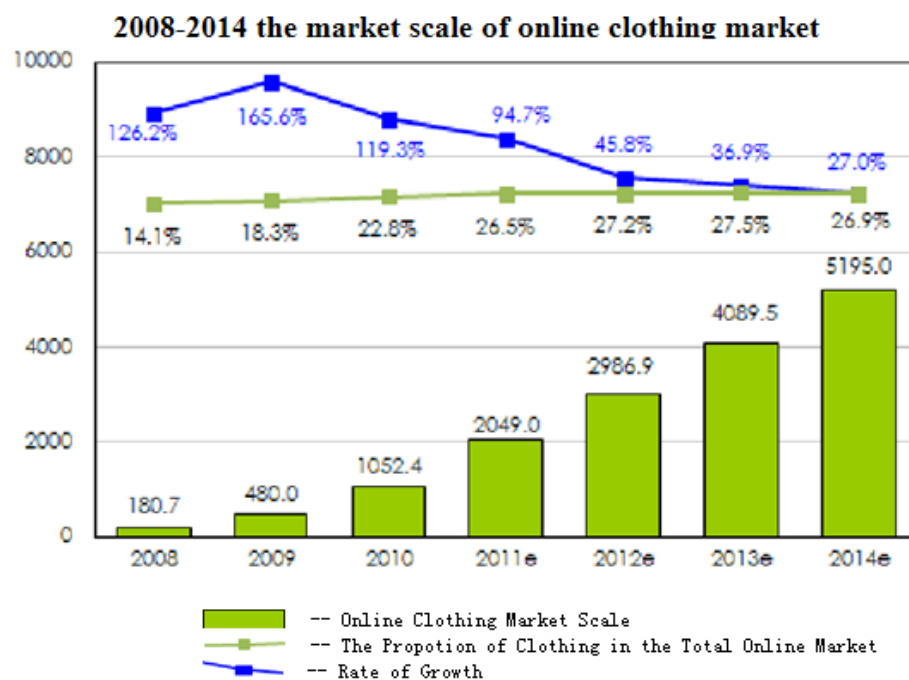


Figure 1.1 2008-2014 the Market Scale of Online Clothing Market (Iresearch 2011)

Although online business is increasing at a great speed and is expanding market shares, e-commerce business has its own shortage. Compared with traditional enterprises, the e-commerce companies based on the Internet have a short development time and a low brand value. If competed with traditional businesses, the customer may not trust them as he/she trusts the traditional ones where a customer can get really touching products. How to enhance conviction of the online products to gain potential consumers? Internet marketing needs to communicate and market its brand.

Internet marketing can be divided into B2B and B2C. B2C compared with B-to-B companies, B-to-C has a variety of customers and more choices of products. Furthermore, B-to-C Company should pay more attention to the targeted market, product positioning and other sources. However, due to these reasons B-to-C Company will develop different kinds of marketing communication tools according to each of the company.

1.1.2 Customer Features in B-to-C Marketing

Along with increasingly maturity of internet marketing, B-to-C Marketing is becoming more popular in the whole market, and also the number of customers is increasing day by day.

In 2010, the number of B-to-C customers reached 99.36 million in China, accounting for 61.9 percentages of the whole online marketing (CNNIC: Internet B2C marketing Customer Research Report 2011). Not only in China, B-to-C Marketing plays a leading role in the online marketing around the world range. In the future, its customers will experience a sustainable growth according to the popularization of computer and the Internet.

Different Products with Different Demands

In general, B-to-C customers prefer cheaper prices compared with the prices in traditional stores, a high degree of standardization in products, such as clothes, books and 3C products (computers, communication, consumer electronics).

The Number of Online Shopping

B-to-C consumers buy products through the website is more frequently than the normal online customer. In 2010, the average number of online shopping was 12 half a year, more than the number of normal customers.

Customer Features in Clothing B-to-C Online Marketing

According to the Internet B2C marketing Customer Research Report by CNNIC, the number of male customers is more than the number of female customers, and males take 51.5 percentages of the total customers in clothing B-to-C online marketing. The most customers are between 18-years of age and 30-years of age. White-collar employees form the most active group, more than other occupations.

1.2 Research Problems and Objectives

Going through the whole background, it is evident that the online shopping market increases year by year, but at the same time the growth speed starts to slow down. This situation ascribes to the slower growth of the network user, and most especially because of the lower rebuy rate. Consumers may miss the buying chances on the internet due to many kinds of reasons, for example, unidentified products, qualities of products, dissatisfactory service etc.. As a result, online business should build visible brand equity to catch potential consumers and keep the old customers in the fiercely competed market.

Thus, the purpose of this research is to study the short-term process of building customer-based brand equity in the on-line shopping industry and provide managerial suggestions for case company to improve its customer-based brand equity. In addition, the case company selected to this study is named VANCL.

In order to achieve the main purpose, the following sub research problems based on the process of building customer-based brand equity are separately set:

- How do audiences feel about Vanc1's brand elements (brand name, logos, slogans and packaging)?

- What's the attitude and experiences of customers towards Vancle's products, price and distribution channels?
- What kind of marketing communication tools does Vancle use to spread its brand: online and off-line advertising, website promoting, celebrity endorsement, Internet Word of Mouth Marketing (IWOM) and others?

In the last, the problem is the empirical suggestions that can be proposed.

1.3 Limitations

This thesis will focus on online clothing market in China, the offline clothing brands and their brand strategies will not be considered in this thesis. In another aspect, this thesis chooses a B-to-C Company – Vancle to evaluate building brand equity, other B-to-B or C-to-C Companies on the internet are not included and they can have special management of their brand towards a different image and different customers.

In the second place, the whole brand management involves many processes from short-term strategies to long-term management, such as measuring and interpreting brand performance, growing and sustaining brand equity. In this thesis, the short-term strategies will be mostly researched which focus on brand positioning and brand marketing. Only a little knowledge about long-term process will be introduced.

Finally, even though online marketing is popular and lots of B-to-C Companies exist among the world, the empirical research takes place in China. Online business brand in any other places and countries is not involved in this thesis.

1.4 Thesis Structure

The thesis can be divided for five sections; first comes the introduction of study background; then the theories that are applied in this thesis are presented; thirdly the case company – Vancle is introduced in brief and also the analysis of the programs taken by company included in this section; fourthly the empirical

research and its finding are stated and finally the recommendation are presented. The outline of the study is given in Figure 1.2.

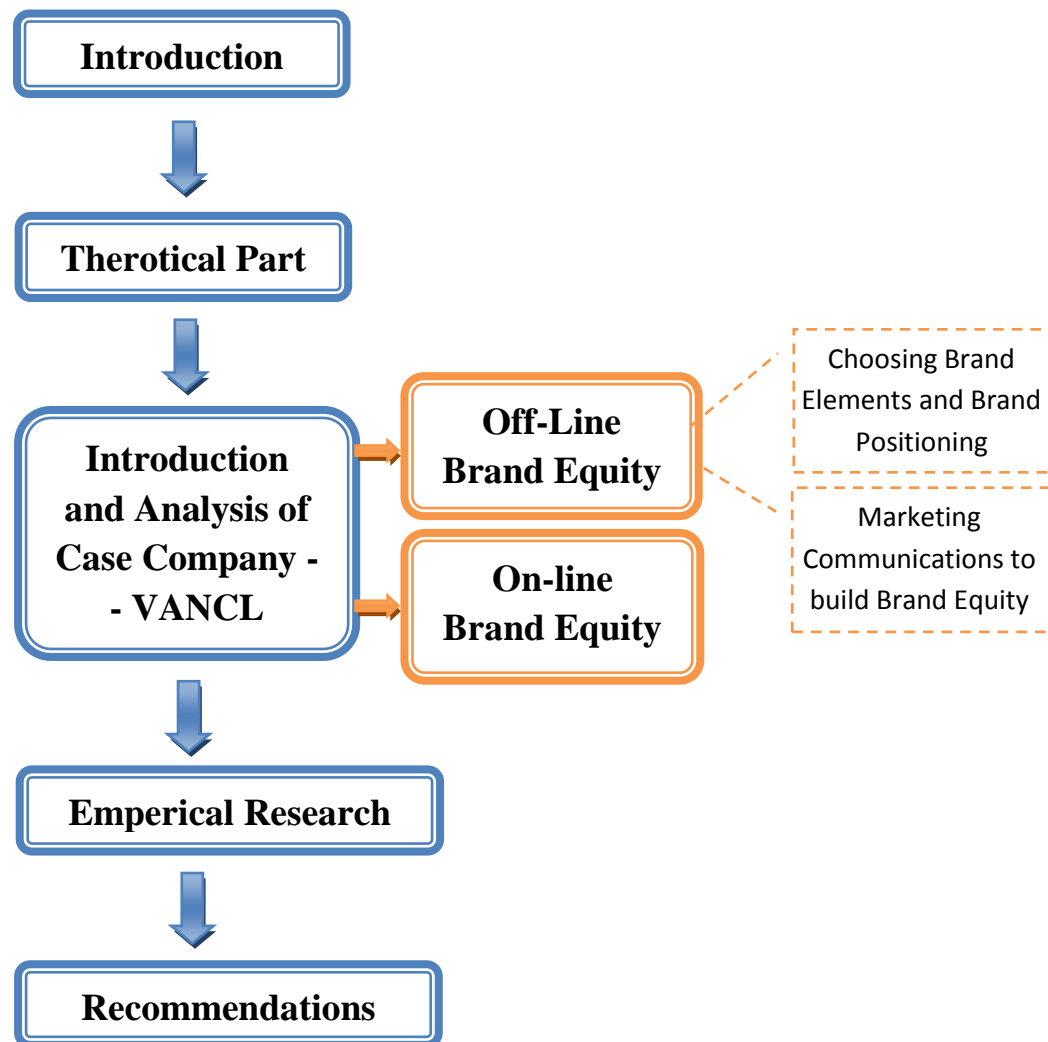


Figure 1.2 Outline of the study

Each part of this structure is introduced in detailed next.

In chapter 1, the study back ground is shortly recommended and the reason that I choose this topic is listed. The research problems and objectives, limitation and thesis organization are introduced in this part after introduction of background.

In chapter 2, it illustrates theories that could be used in this thesis, included brand definition and its role, sources of brand equity, brand elements, brand position and applicable marketing communications to build brand equity.

In chapter 3, the case company is presented shortly. And then it comes most of the marketing programs about building and marketing brand taken by the company till now.

In chapter 4, the research methodology applied in this study is illustrated.

In chapter 5, it presents an introduction of the empirical findings which based on the analysis of the data collected in the survey. And also the result of the questionnaire is also described and discussed.

At the end of this thesis, a summary of the whole study is concluded, focused on the effectiveness of the marketing programs adopted brand marketing of online B-to-C business in China. Suggestions for further studies in the similar fields are presented in the last of this thesis.

Figure 1.3 Structure Introduction of this Thesis

2. Theoretical Study

2.1 Brands and Branding

In the twenty-first century, people's purchase styles have witnessed big changes because of the faster pace of living and working, and the wide variety of available goods. Today, many prefer a more convenient and relieved way of shopping, which means they will not want to take a long time to make those decisions while they will get the good experiences at the same time. A strong brand is able to simplify consumer decision making, reduce risk, and set expectations and is, thus, valuable. (Kevin Lane Keller 2003:2)

2.1.1 Brands and the Role

Brands are used to distinguish the different goods or services among the different producers or providers, and bring value-added effect to the products and enterprises in the mean time. According to the American Marketing Association (AMA), a brand is a name, term, sign, symbol, or design, or combination of some of them, in order to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competition.

Consumers always correlate products and services with brands, because they want to get mental satisfactions through the buying process (feeling they are well serviced), get good quality from the trusted brands or even want to spend less time on the decision-making.

More specifically, what distinguishes a brand from its competitors' commodities and gives it equity is the sum total of consumers' perceptions and experiences about the product's attributes and how they perform, about the brand name and what it presents, and about the company associated with the brand. (Kevin Lane Keller 2003:4)

Brand philosophy is becoming more and more important in the current marketing situation from online to off-line, from manufacturing to service industry. Brand plays different functions in both consumers and manufacturers.

From consumers' perspective:

- 1) A product can be identified by its own brand;
- 2) Assignment of responsibility to product maker;
- 3) Reduce risks;
- 4) Reduce the cost on searching for products;
- 5) The guarantee of a good quality and a perfect service;
- 6) Symbolic device. (Kevin Lane Keller 2003:9)

In the whole market there are thousands of goods and their producers, and especially many products have the similar purpose as the competitors. Brands as a symbol identify the source or producer of a product and allow consumers to assign responsibility to a particular manufacturer or distributor (Kevin Lane Keller 2003:9). Most importantly, brands represent the separate value, culture and character of each product, while customers will gain different feelings through diverse commodities. As a result, brands could affect the first impression of a new product; thereby affecting the consumers' buying behavior. In another aspect, brand reduces the search costs for people both in think-about time and look-around time.

If consumers feel unique features and get benefits from purchasing this brand in the long-term, they will build confidence in this brand and continue to buy it. The differences of brand images present different values, which mean one product with its own slogan, name or design contains particular meaning that can target the specific customer group. Thereby, brand also plays the role of symbolic device.

When a consumer buys and consumes a product, he/she may fear about risks liable to happen, such as:

- The performance and quality are not as good as expectations;
- The same price could afford a better product;
- The product poses a threat to the physical well-being or health of the user or others;

- The failure of the product results in an opportunity cost of finding another satisfactory product.(Kevin Lane Keller 2003:10)

This is also the reason that people prefer well-known brands, especially for those consumers who have favorable products and brands.

For the manufacture, brand also has an important role for the development of firms, such as:

- Brands could help enterprises to storage good reputation and image.
- Intellectual property rights protect brand from being damaged and usurped illegally by others.
- Brand is an intangible asset of an enterprise. It encompasses different value, personality and quality which can bring added value for the firm. With the different brands, similar products can have a gap in prices.
- With the great brand image, it is easier to get competitive advantages for a firm, thus influencing consumer buying behavior.
- As said, the cost of winning a new customer is six times as the cost of keeping old clients. Through establishing brand preference with customers, a firm could cut the cost of promoting and developing new products.

2.1.2 Brand Commodities

What is a commodity? Does it have any differences with a product? A commodity is a basic product presumably so that it could not be physically differentiated in the minds of consumers (Kevin Lane Keller 1998:11). In another way, a commodity is the products which we use in daily life and always have lots of manufacturers to produce similar items. A product with a patent or any proprietary technologies does not have to face intense competition as much as a commodity will face on the account of fewer competitors and customers' perception of the existing products.

For this reason, it seems commodities need a strong brand badly. There are also successful commodity brands, such as Maxwell House coffee, Coca Cola soft

drink, McDonald's fast-food. The key factors concluded from those successful cases were that the consumer could be convinced by the meaningful differences that a specific producer can be distinguished from other suppliers (Kevin Lane Keller 1998: 11).

A brand can present the culture, meaning, quality, attitude, character of the product. To persuade consumers to buy this commodity instead of other similar ones, the company should make the meaning of the brand accepted and generate emotional empathy.

How can brand meaning be perceived and transformed into customers' feelings? A company takes special brand activities to communicate and interact with the customer, and then the customer will get experiences. However, brand activity is not enough, and customer interaction is not enough. The quest for the holy grail of branding is about understanding how the brand activity and customer interaction combine and interact, and learning as the company proceeds as shown in Figure 2.1. (Peter Cheverton 2006: 21)

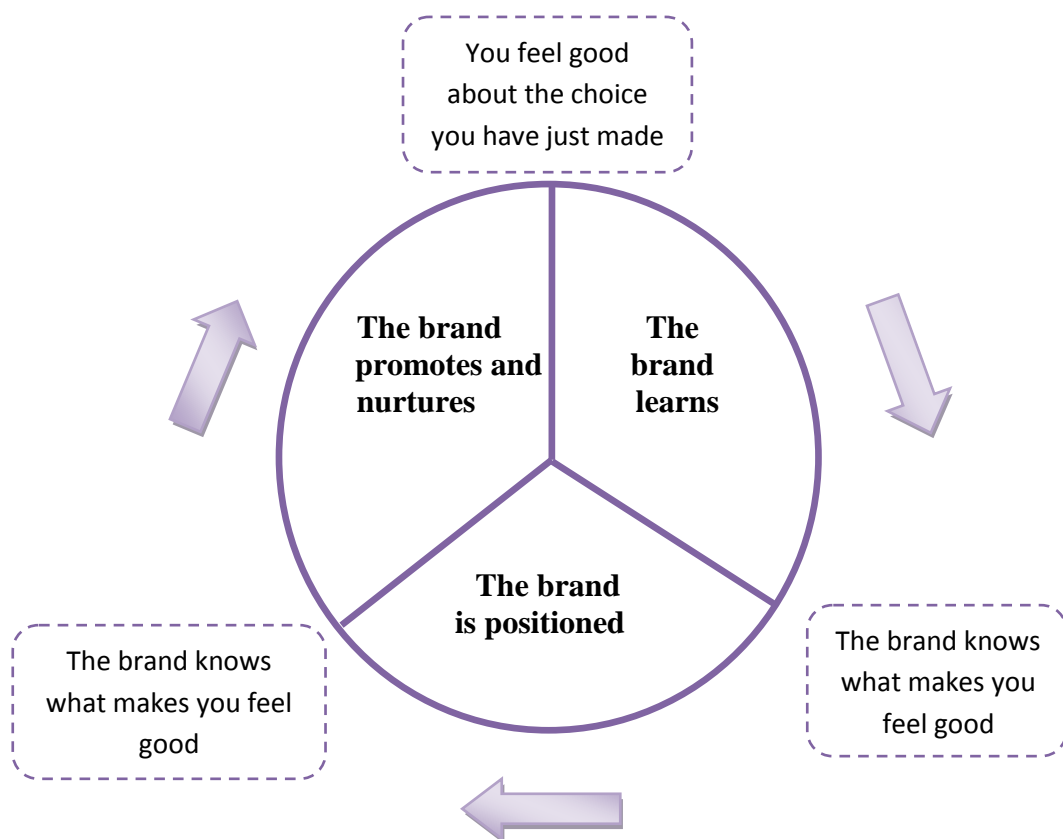


Figure 2.1 the Virtuous Circle of a Good Brand (Peter Cheverton 2006: 21)

2.2 Brand Equity

How to measure if a brand is successful or a failure? How to perceive if a brand is popular among consumers? In the case of marketing, the proposed measurement is brand equity. (Srivastava & Shocker 1991:2)

2.2.1 Concept of Brand Equity

The concept of brand equity emerged in the early 1990s (Pekka Tuominen: 71). From its appearance till now it still does not have an exclusive definition, a precise concept. However, many definitions for brand equity can be found, such as:

- A set of brand assets and liabilities connected with a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm, or to that firm's consumer. (Aaker 1991: 15)
- The set of associations and behaviors on the grounds of the brand's customers, channel partners, and parent corporations that permit the brand to earn greater volume or greater profits than it could without the brand name and that gives the brand a strong, sustainable, and differentiated advantage over competitors.(The Marketing Science Institute 1988)
- The value appeared with a brand as a result of the powerful relationship that has been developed between the brand and consumers and other stakeholders over time. (Keegan & Moriarty & Duncan 1995: 323)
- Brand equity has to do with the value, usually defined in economic terms, of a brand beyond the real assets connected with its manufacture or provision. (David A.Aaker & Alexander L.Biel 1993: 61)

Based on the previous studies on brand equity, brand equity is an intangible asset and regards the brand name as the core, which could convince customers to purchase and bring added value to the company.

In a more professional and detailed version, brand equity combines brand strength and brand value. Brand strength is the series of associations and behaviors on the part of a brand's customers, channel members, and Parent Corporation that permits the brand to enjoy sustainable and differentiated competitive advantages. Brand value is the financial product of management's ability to resort brand strength through tactical and strategic actions in providing superior current and future profits and lowered risks. (Raj Srivastava & Allan Shocker)

2.2.2 Customer-Based Brand Equity

What kind of knowledge could help customer to make purchase decisions? How can customer to make a deep impression on the specific commodity? It seems that company satisfies its customers by understanding their needs and wants, then decide its products and conduct the producing process.

The customer-based brand equity can help company do better in knowing and influencing consumer behavior. Specifically, customer-based brand equity is defined as the different influences that brand knowledge has on consumer response to the marketing of that brand (Kevin Lane Keller 1998:45). As the differential effect said, a brand can have two sides of effects: one is the positive customer-based brand equity and the other one is negative customer-based equity.

A brand with positive customer-based brand equity might result in (see Kevin Lane Keller 1998:45):

- More willing to seek the brand in a new distribution channel;
- Not so care about price increases. If the price increases, customer will continue to buy the products and ignore the increased price;
- Without advertising, customers still buy the product;
- Being more accepting of a new brand extension;
- Customer will pay close attention on the new products.

Customer-Based Brand Equity versus Company-Based Brand Equity

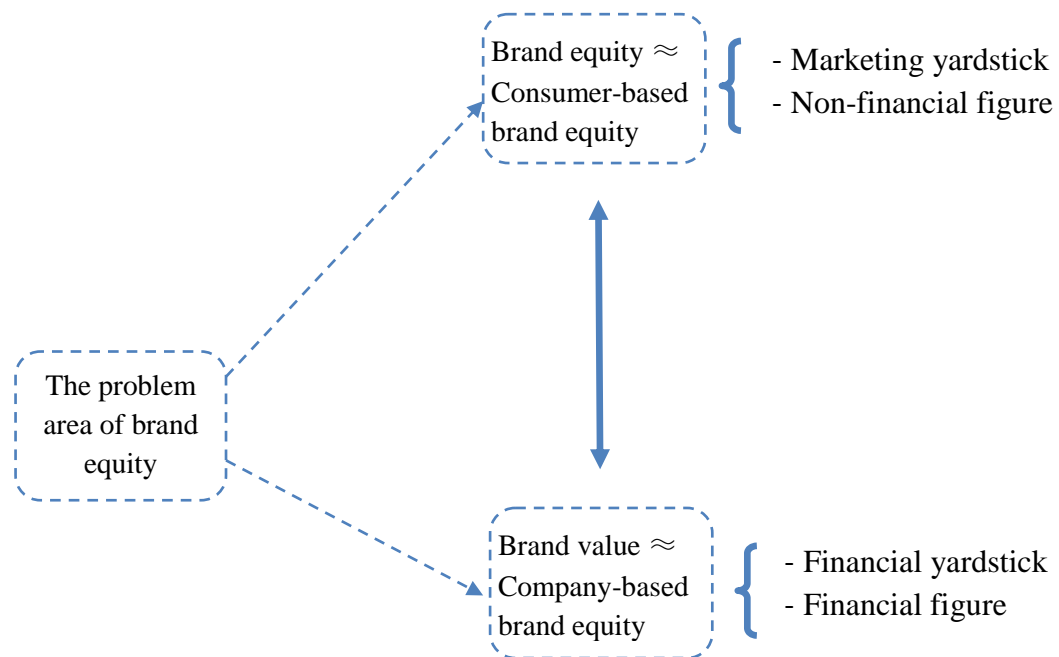


Figure 2.2 the Connection between Brand Equity and Brand Value (cf. Irmscher 1993: 105)

The figure reveals that brand equity should be understood as a term which represents the effects of the branding activities and has a non-financial character. It is the yardstick for marketing which presents the information about the efficiency of the branding activities through measuring the brand value for customers and distributors. (Susanna Jutila 1995: 8)

On the contrary, brand value is seen as the financial yardstick and shows the financial value of the brand. As a financial figure it is the result of the evaluation of past marketing strategies. (Susanna Jutila 1995: 8)

In other words, the financial value of a brand in the future is a result of the capitalization of the equity of a brand. Therefore, between brand equity and brand value, it exists an inseparable link. (Susanna Jutila 1995: 8)

2.2.3 Benefits from Brand Equity

Stronger brand equity presents a more competitive power, which is also the reason of company's pursuit of improving its brand equity. So what kind of advantages

company could catch from the brand equity? According to Kevin Keller, the benefits to the firm of having brands with a high level of awareness and a “positive” brand image are written below:

- Greater Loyalty: Consumers will feel more loyal to a brand with great equity. On the other aspect, brands with large market shares are more likely to have more loyal customers than brands with small market shares, a phenomenon named “double jeopardy” (Andrew Ehrenberg, Gerard Goodhardt and Patrick Barwise 1990: 82 – 91);
- Less Vulnerability to Competitive Marketing Actions: A brand with positive brand equity is better to deal with the competitive marketing actions, such as similar products enter into the market;
- Less Vulnerability to Marketing Crises: Good brand equity can prevent brand’s owner from being affected by the recession of this industry;
- Larger Margins: Brands with positive customer-based brand equity also should be able to become a price premium. Moreover, consumer should have a more “inelastic consumer” reaction to price increases or discounts for the brand over time (Hermann Simon 1979: 439 – 452);
- More Inelastic Consumer Response to Price Increases;
- More Elastic Consumer Response to Price Decreases;
- Increased Marketing Communication Effectiveness: Through creating awareness of and a positive image for a brand, this could result in a host of advertising and communication benefits;
- Possible Licensing Opportunities: A strong brand often has associated with many other product categories;
- Additional Brand Extension Opportunities: A brand with a positive brand image allows the firm to introduce appropriate new products as brand extensions. (see Keller 1998:53 - 68)

2.2.4 Source of Brand Equity

Brand Awareness

A significant way of communicating commodity-related products is brand awareness (Investopedia: brand awareness). Customers always select the most familiar products in their memory which is the result of brand awareness and were influenced by the existed image of brand (See Keller 1998:87).

Creating brand awareness has some major components, for example identifying and understanding the target customers, creating a company name, logo and symbols, selecting packaging, location, service and other elements and preparing marketing programs (See Gustafson & Chabot 2007). And these are all displayed in the framework of building customer-based brand equity and will be introduced in details in the next chapter of the theoretical part.

On another hand, those companies which use Internet for the selling and advertising also can improve their brand awareness online. Online brand awareness can be affected by many online mediums including: online reviews such as appraisal of the authorities and the evaluation of experienced customers, display advertisements on the homepage and other websites, organic search engine visibility like Baidu, Google, Yahoo, etc., and the social sphere such as Sina Weibo, Renren, Qzone, etc.. (See Beatty 2011). And also these will be introduced in the on-line framework below and in details in the next chapter of this part.

Brand Association

Brand associations are another foundation of consumer-based brand equity, besides brand awareness (UK Essay Website). As the definition of brand association made by Keller, it is any other informational points and structures that linked to the brand node in memory and contain the meaning of the brand for consumers.

Based on the definition – any other informational points and structures, there are many types of brand associations.

1. Attributes

- Product-Related Attributes: These are the physical composition of a product or requirements of a service and are the factors of determining the nature and level of product performance. (Keller 1998: 93-95)
- Non-Product-Related Attributes:
 - Price can influence consumer's buying behavior and connect product with its own brand image (Keller 1998: 95).
 - User and usage imagery come from a customer's own experiences and through contacting with brand users or indirectly depicting by the target market and usage situation as communicated in brand advertising or by any other source of information (Keller 1998: 95-96).
 - Feelings and experiences can help build product meanings and satisfy its customers, and in another aspect it can attract potential customers(See Keller 1998: 95-99).
 - Brand personality is a factor which can influence how people feel about a brand rather than what they think the brand is or does (Bill Abrams 1981). A brand built on the right personality can sympathise with its consumers and make them feel that the brand is relevant and "my kind of product" (Keller 1998: 97).

2. Benefits

Benefits mean that expectations and personal value that consumers attach to the product or service attributes – what consumers believe the product or service can do for them and what it represents more broadly.

3. Attitude

Brand attitude is defined in accordance with consumers' overall evaluations of a brand (William L. Wilkie 1990). It can change consumer's choices in the first vision by coinciding with consumer's emotions.

The formation of brand association lists below:

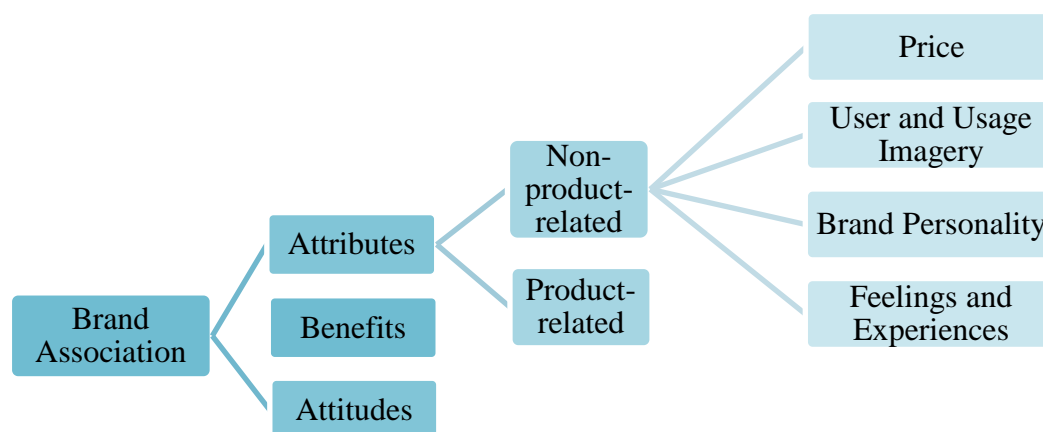


Figure 2.3 The formation of brand association

2.2.5 The Framework of Building Customer-based Brand Equity

On account of the main purpose of this study, I want to search for how to build customer-based brand equity for the B2C companies and study on the process of VancI brand equity build.

I will divide the framework of building customer-based brand equity into two parts: one is for off-line framework and the other one focus on the online framework.

Off-Line Framework:

Creating a brand which customers have the knowledge of and with which customers have effective, special and unique brand associations is the requirement of building brand equity (Keller 1998:68).

Based on the Kevin Keller's structure for building brand equity, I select part of them that will be applicable in this research.

The first step is to choose brand elements or identities to build up the brand; the next step is to carry out marketing programs to make impression of brand into customers; the last step is to transfer other associations indirectly into the brand

by linking it to some other entity (e.g., the company, country of origin, channel of distribution, or another brand). (See Keller 1998: 68)

The key considerations of three steps are written below:

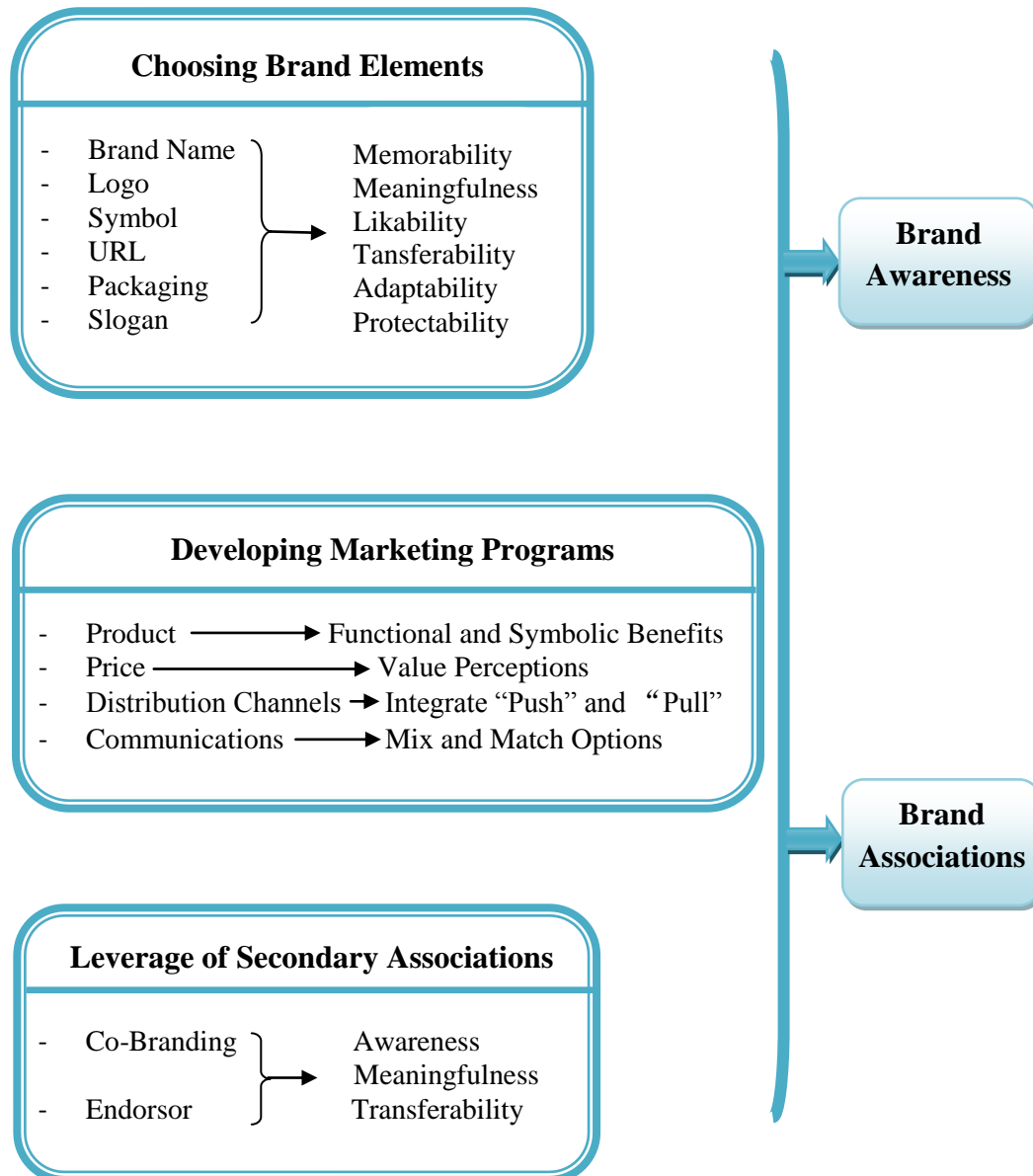


Figure 2.4 Building Customer-Based Brand Equity Offline (Keller 1998:69)

From this chart, we can see the overall outcomes are the brand awareness and brand association from the whole processes. Therefore, what is the brand awareness? What is the brand association? What can they do for the customer-based brand equity? According to Keller (1993), at beginning, the customer has a high level of awareness and familiarity with the brand and holds strong, favorable, and unique brand associations in memory, then brand has the customer-based brand equity.

On-Line Framework:

Differentiated by the off-line programs, on-line building program has its own characteristics, but both of them are based on two mainly concept – Brand Awareness and Brand Association. Nevertheless, on-line environment differs from that of traditional companies; achieving brand awareness and brand association need the additional strategies (Kim, Sharma and Setzekorn 2002: 126). The on-line environment for B2C companies (figure 2.5). Based on the Kim, Sharma and Setzekorn's study on the on-line brand equity building process, I propose the framework of Building Brand Equity Online for B2C Businesses, which are presented below (figure 2.6).

Type of business	Ease of replication	Ease of obtaining information	Difficulty of assessing trustworthiness/legitimacy
Brick-and-Mortar	Low	Low	Low
B2C	High	High	High

Figure 2.5 Environment Comparison of B2C and Brick-and-Mortar Businesses (Kim, Sharma and Setzekorn 2002: 126)

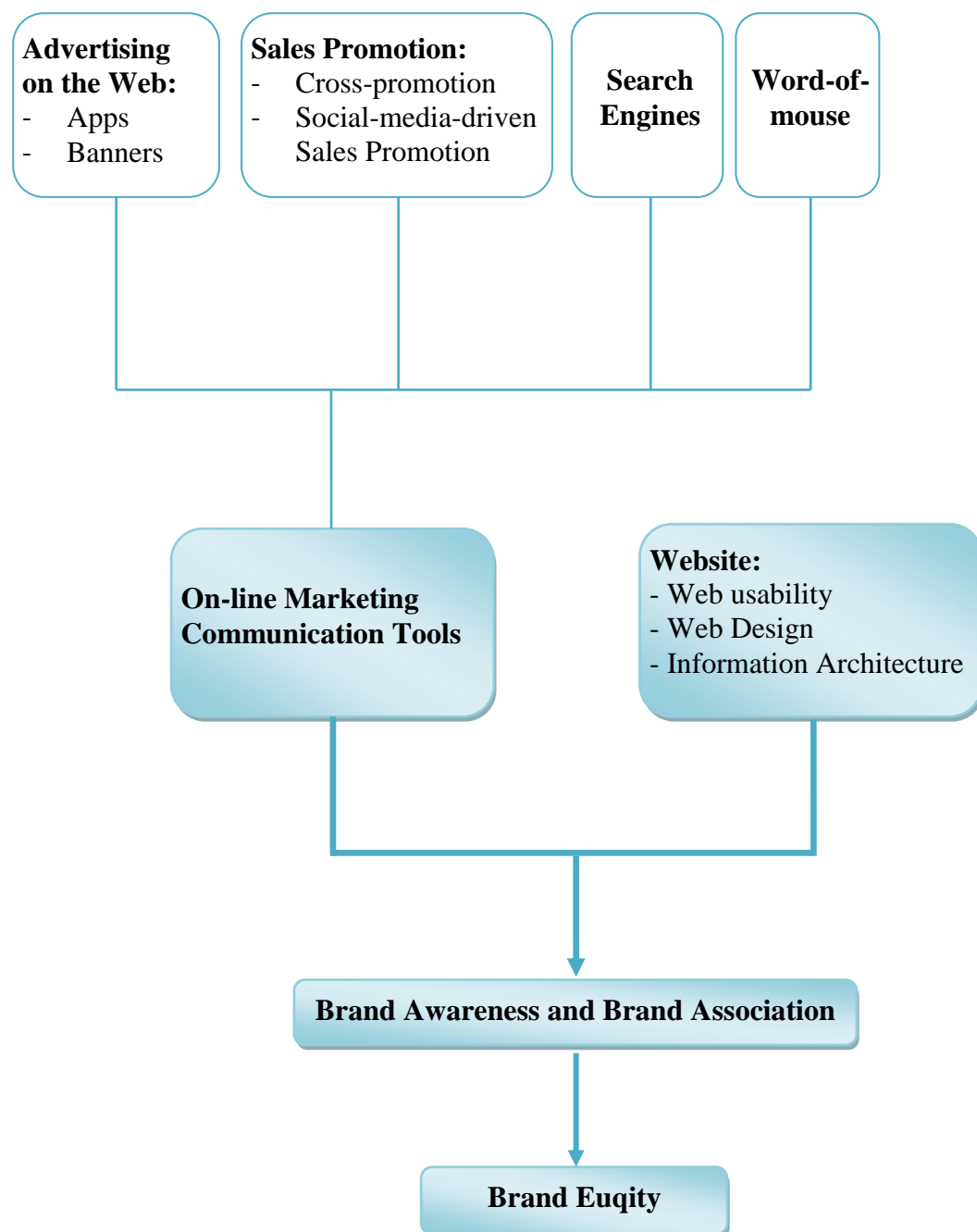


Figure 2.6A Framework of Building Brand Equity Online for B2C Businesses(See Kim, Sharma and Setzekorn2002: 126)

I will explain both off-line and on-line processes for building brand equity towards B2C businesses in details in the next two chapters.

2.3 Off-line Building Processes

Because of differentiated products, company performs off-line building processes according to its main product and target market. The whole processes are divided into three steps – choose brand elements, develop marketing programs and leverage of secondary associations

2.3.1 Choosing Brand Elements

Brand elements are the most basic trademark devices that help consumers identify and differentiate the brand (Nielsen 2010).

In general, there are six choice criteria in choosing brand elements, used in offensive strategies and defensive strategies.

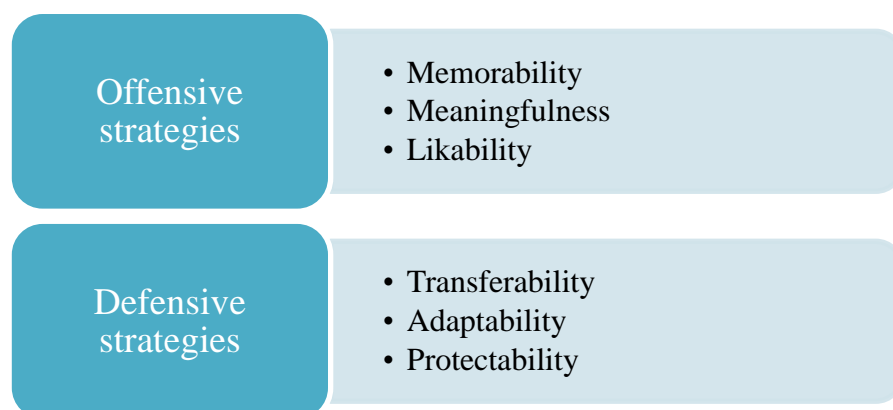


Figure 2.7 Criteria for Choosing Brand Elements (See Mustafa KARADENİZ 2010: 119-120 and Keller 2003: 175)

- **Memorability:** To succeed a high level of brand awareness, brand elements can be selected that are inherently memorable and hence improve remind or recognition in buy or consumption settings (Mustafa KARADENİZ 2010: 119-120).
- **Meaningfulness:** Brand elements should suggest something about the type of person who may buy or consume the products and also so be suggestive of both the products and the category they belong to. (Bourgeois 2012)

- Likability: Company selects brand elements that could provide a interesting and relax environment for customers, and appeal to one of the five senses, especially visually or verbally. (See Bourgeois 2012)
- Transferability: Could company use the brand elements when it creates new products to the category or introduce products to a new location? (See Mustafa KARADENİZ 2010: 119)
- Adaptability: Another requirement is the brand element should be updated as time goes by, because of the changes in consumer values and opinions. (Bourgeois 2012 and KARADENİZ 2010: 120)
- Protectability: this criteria test if the brand element could be trademarked or legally protected from the cutthroat competition. (See Bourgeois 2012)

Brand Names

The brand name is always a core of product characters, and it often captures the central theme or key associations of a product in a very compact and economical fashion (Keller 1998:135).

Brand name could be also seemed as an effective “shorthand” means of brand communication, and work on spreading the product and its brand (See Keller 1998:135). Similarly brand name convey the information much about brand itself, need to be easy to remember and recall, and suggests and represents what brand is offering. (Management Study Guide)

A good brand name should gain some special requirements, such as unique and distinctive from similar product brands, symbol of qualities and benefits, easy translation in other languages and have no bad or wrong meanings in other languages. (See Management Study Guide)

URLs

URL, also named uniform resource locators, is used to specify different locations of pages on the web and are also commonly referred to as domain names. (Keller 2003: 206 - 208)

A company can either sue the current owner of the URL for copyright infringement, buy the name from the current owner, or register all conceivable variations of its brand as domain names ahead of time. (Keller 2003: 206-208)

Logos and Symbols

In spite of the critical role that brand name plays, visual brand elements such as logos and symbols often play an important role in building brand equity and brand awareness (See Keller 1998:143), because they can visually convey the characters of product to consumers.

There are many kinds of logos which range from corporate names or trademarks written in a distinctive form, or on another hand, to completely abstract logos that may not have relation with the word mark, corporate name, or corporate activities. (Murphy 1990: 79)

Another advantage of designing a brand logo is its versatility, because logos are based on the nonverbal information and can be updated as needed over time and communicated among the different cultures. (Keller 1998: 145-146)

Slogans

According to Keller (1998) said, slogans are “short phrases that communicate descriptive or persuasive information about the brand”.

A good slogan should be in short and simply words and could grasp consumers' memory. Always, a slogan should include its brand name and make sure customer could recall brand name with slogan. In another hand, customers can get key benefits and positive impression of this brand. Finally, a good slogan will give its product and brand a distinct and visible description. (Foster 2011: 4-13)

Packaging

Package is used for enclosing and protecting products for distribution, storage, sale and use, and packaging is the science, art and technology of designing and

producing packages (Wikipedia 2012). Packaging involved protects, preserves, transports, informs, and sells (Soroka 2002).

From the position of the company and consumers, a successful packaging should complete some requirements:

1. Brand Identification
2. Convey descriptive and convictive information
3. Protect product in the whole supply chain
4. Assist at-home storage
5. Instructions for product usages. (Bassin 1988: 21)

2.3.2 Developing Marketing Programs

Although the multiple and strict criteria of selecting brand elements and the consequent brand identity could make a great contribution to customer-based brand equity, the main profits come from marketing activities related to the brand and the resulting marketing programs, included product, price, distribution strategies and marketing communications. (Keller 1998: 176)

In addition, the concept of private label and benefits of owning a private label will be introduced after the product, price and distribution strategies.

Product Strategy

The Product is at the centre of customer-based equity (Keller 1998: 181). Products must be designed, manufactured, sold, delivered and serviced among the target markets in order to create a positive brand image, and then gain strong, favorable and unique brand associations (Keller 1998:181).

After market segmentation, company can start to design and manufacture its products toward main consumers' perception on the look style, quality and value. Perceived quality is "customers' perception of the overall quality or superiority of a product or service relative to relevant alternatives and with respect to its intended purpose" (Keller 1998:176). Combine quality perceptions and cost

perceptions, consumers will get an overall perception on the product value (Keller 1998: 178). On the fundament of quality and value perception, n consumers will accept new products more believably. However, consumer perhaps could not be satisfied with the initial purchase experience (Keller 1998: 180). Furthermore, company need to improve their experiences by after-sale services and their perceptions by facilitating products quality and other factors (See Keller 1998: 181).

Price Strategy

Price strategy has many kinds of formalizations, such as cost-based pricing, demand-based pricing, competition-based pricing and value pricing. In this study, the value pricing strategy will be used to analyze product's price in case company.

Value pricing has been definite as giving your customers more quality for less than they expected to pay. It is often used when the company wants to gain great market share, position products with customers, or obtain market acceptance of a new product. After achieving the initial distribution goal, company should enhance product quality and understand and satisfy customers' need and want much better. Otherwise, company may find it is difficult to raise prices to more profitable levels. (Henken 2007)

Channel Strategy

Marketing channels are “sets of interdependent organizations involved in the process of making a product or service available for use or consumption” (Kotler 2000: 236). Marketing channel has many different types. Broadly speaking, it can be classified into direct and indirect channels (Keller 1998: 191).

The direct channels may be more preferable in these environments:

- High product information needs
- High product customization
- High Requirement of product quality

- Large purchase lot size
- Logistics are important. (Rangan, Menezes & Maier 1992: 69-82)

Direct channels can improve brand equity by provide more chances for customers to better understand the depth, breadth, and variety of the products associated with the brand as same as any distinguishing characteristics. (Keller 1998: 205)

Developing Marketing Communications

Marketing communications are “the means by which firms attempt to inform, persuade, and remind consumers, directly or in indirectly, about the brands that they sell” (Keller 1998:218). Through marketing communication tools, company can build an individual and bright brand awareness in consumers’ minds, and also establish a bridge between its products and consumers. For example, a fixed brand comes to a customer when buy product, instead of other brands’ similar products. Furthermore, company will gain customer-based brand equity.

The off-line marketing communications can be specified in five types, included advertising, promotion, event marketing and sponsorship, public relations and publicity and personal selling (In this study, personal selling is not taken into consider based on the case company’s campaigns). (Keller 1998: 218-254)

According to the cross criteria, there are several advertising options: media advertising consists of TV, radio, newspaper, magazines; place advertising consists of bulletins, billboards, posters, cinema and transit (Keller 1998: 218). However, because of the mass of advertising types, company should select right ones to advertise its products according to its main consumers and its own brand image.

Sales promotion is motivations to encourage trial or usage of a product or service in short terms. So the objects of sales promotion is to change the behavior of the trade so that they carry the brand and actively support it and to change the behavior of the consumer so that they buy a brand for the first time, buy more of this brand, or buy the brand earlier and more often. (Keller 1998: 239)

Event marketing is sets of public sponsorship events or activities referred to sports, art, entertainment and social causes. Event sponsorship can help company impress its brand awareness to customers, influence consumers' thinking ways and expand the original brand image. In details, the reasons why companies sponsor event can be concluded:

- Gain identification among a particular target market or lifestyle.
- Achieve increasing awareness of company or product name.
- Create or strengthen consumer perceptions of key associations.
- Enhance corporate image dimensions.
- Encourage and serve the key clients and reward key employees.
- Permit merchandising or promotional opportunities. (Keller 1998: 247-248)

Public relations and publicity refers to various programs in order to promote and protect a company's image and its individual products. Public relations and publicity programs refer to nonpersonal communications which involve press releases, media interviews, press conferences, feature articles, photographers, films, annual reports, fund-raising and membership drives, special event management, and public affairs and so on. (Keller 1998: 253)

2.3.3 Leverage of Secondary Associations

It can't have only one or little entities in a brand knowledge structure. In the opposite point, brands borrow other brand knowledge from the nature of those associations and responses; perhaps some brand equity come from other entities. This approach of "borrow" to building brand equity is leveraging secondary brand associations for the brand. It plays another important role and cannot be ignored in creating strong, favorable and unique associations or enhancing existing associations and responses in a fresh and different way. (Oceanidqi 2011)

There are different methods to create secondary brand associations and in this study we will use co-branding, ingredient branding and celebrity endorser. (Keller 1998: 304)

Co-Branding

Co-branding strategy is used by two or more existed brands from the same or different company. Co-branding is also called brand bundling or brand alliances, which happen when two or more existing brands are joined together into a product or marketed together in some fashion. (Keller 1998: 283)

Co-branding can help a product gain a unique and convincing position by the multiple advantages of combining brands. In another words, co-branding also can achieve greater sales from the existing target market and opening additional opportunities with new consumer and channel. Co-brand also can cut the cost of product introduction by the multiple brands' accepted consumers. (Keller 1998: 283)

To create a strong co-brand, it has a necessary but not sufficient condition that component brands separately have some brand equity. The component brands should have a logical fit such that the combined brand and marketing activity would maximize the advantages of the individual brands while minimizing the shortages. (Keller 1998: 195)

Celebrity Endorser

The celebrity endorser can cause public attention to the brand and shape the perceptions of the brand by endorser's a rich set of useful associations, judgments and feelings related to the relevant products. (Kellerv1998: 294-297)

However, celebrity may have potential problems when linking into a brand. Firstly, celebrity endorsers could be overused by endorsing too varied products to have the specific product meaning because of being seen as overly opportunistic or insincere. Secondly, celebrity must have a logical and reasonable match to the product. Thirdly, celebrity endorsers may get in trouble or lose popularity as time goes by. Fourthly, consumers cannot believe in celebrities totally and feel that they just do the endorsement for money. (Keller 1998: 297-299)

To overcome these problems, company should consider, select endorsers and use celebrity endorsement strategically. Fundamentally, it is essential to choose a well-known and well-defined celebrity whose associations are relevant to the brand and likely to be transferable. Company must logically and reasonably evaluate and decide the endorsers related to its product. At last but not least, company should make advertising and communication programs in a creative fashion with using celebrities as well as highlight the relevant associations and encourages their transfer. (Keller 1998: 299-300)

2.4 On-line Building Processes

As mentioned before, building customer-based brand equity on-line is also established on the brand awareness and brand association. However, on-line processes are different from the off-line processes on the whole building process. Actually a successful brand equity for B2C company relied on both on-line and off-line programs, because on the basis of selected brand elements, company should mainly focus on the brand communication on-line, included website, advertising on the web, search engines, word-of-mouth and other communication tools.

In the former paragraph, I introduced the model of building brand equity online for B2C businesses proposed by Kim, Sharmar and Setzekorn. They suggest several methods to build brand awareness and brand associations. I will continue to introduce these methods and divide them into two parts: own website and on-line marketing communications.

2.4.1 Website

It is very important and valuable for B2C companies to create a high quality and clear website or enhance the quality of existing websites, as website is the only means for on-line company doing business. According to Kim, Sharmar & Setzekorn's study on the website, they found that there are three elements to creating a high quality website: web usability, web design and information architecture. (Kim, Sharmar & Setzekorn 2002:128)

Web Usability

Web usability indicates the comfort of website design, included pages, content, and construction. Customers always are influenced by easy or intuitive to use and consider about that whether information provided by this website is useful or whether this website is useful for browsing, research, and communication. B2C Company needs to design the website with considering about customers' feelings, which is always stated in articles "users experience usability first and buy later". (Kim, Sharmar & Setzekorn 2002:128)

Web Design

A good structure of menus and abundant pages will make users feel natural and clear to use (Kim, Sharmar & Setzekorn 2002:128). This means companies should think as users' way when they are designing the website.

Kim, Sharmar & Setzekorn mentioned several requirements on the design of website in 2002. The requirements list below:

- The more graphics and animation is used, the more time users spend to wait, as they increase the download time. Customer may feel upset and anxious, when he/she spends so much time that he will lose patience.
- To make the differentiated and meaningful title for each page. It helps users to distinguish mass information easily on those pages.
- A completed website should also provide relevant links of different web pages.
- A good structure of a web page should consist of company's introduction and the objects, navigation such as the route map, search tools and help links.
- A well designed website needs a specific area for consumers to show their purchasing experiences. As happy experiences always influence other consumers' thoughts and will motivate potential customers, B2C Company need pay attention to this part and encourage their users to display feelings.
- The links of relevant products should be also stated in the website, as they can help transform potential customers into existed new customers,

furthermore bring increasing profits. (See Kim, Sharman & Setzekorn 2002:128)

Information Architecture

Information architecture plays a major role in deciding whether users can find their expected information conveniently on this website. A well-thought of high-level information architecture consists of organization and labeling of major areas, clarification of relationships among these areas and demonstration of functionalities. This part relates to the long-term growth and management on the research of mission, vision, content and audience, provided the groundwork for a successful information infrastructure design. It is used to enhance and communicate a holistic view of the website. (Kim, Sharman & Setzekorn 2002:128)

2.4.2 On-line Marketing Communications

In the last decade, there are a large number of information technological developments, which have led to a revolutionary change in the scope and use of what have been called “Internet and new media” (Kitchen & Pelsmacker 2004: 109). With the growing speed of Internet technology, B2C companies established on the Internet come into our eyesight. Furthermore, consumers use heuristics to decide purchase on which B2C company (Kim, Sharman & Setzekorn 2002: 127). Consumers may think the probability of a high quality of products provided by a B2C company if they are more aware of it. Therefore, the B2C companies share a same target is to create successful brand equity. (Kim, Sharman & Setzekorn 2002: 127).

As the select brand elements of building brand equity mentioned before, this part only the on-line marketing communications, which used to enhance brand awareness and brand associations, will be discussed below.

Advertising on the Web

An essential goal of the B2C company is to accomplish as many exposures as possible to create brand awareness. Advertising on the appropriate website is a simple and effective way to gain these exposures (Kim, Sharmar & Setzekorn 2002: 127). Advertising on the web has different types on the different equipments (mobile phones and computers), such as banners, APPs and widgets.

- Apps:

Apps, also called “Application software” or an application used on mobile phones, is useful and special software designed to help the user to perform specific tasks (Wikipedia 2012). Usually, widgets has the similar objects with the app, but based on the computer.

Some brands even have their own relevant apps on the mobile phone to communicate with customers; other apps are designed and developed by other organizations to give recommendation or evaluation of products or brands to interested consumers (Smith & Zook 2011: 286). These suggestions on the apps always are provided by trusted third-parties or experienced customers. Apps or widgets can push a brand name on to millions of devices worldwide (Smith & Zook 2011: 286), thus a brand can be known by large population and gain elementary awareness.

- Banners:

According to Armstrong, a banner advertisement is “a small graphics link, sometimes called a hot link, placed on a Web page”. Because the freedom and unlimited resources of banners, they can be located in anywhere on a web page and can be any kind of a mixture of sizes and styles (Armstrong 2001: 40). On the other side, people could be attracted by the well-designed banners when they are surfing the Internet, and then click into the linked pages. The more banners of a brand appear on web pages, the greater possibility of recognition and recall the brand will gain. However, when B2C companies take banners, they should select located pages carefully, evaluate whether audiences of this web page are appropriate for the product and brand.

Sales Promotion on the Web

This increased on-line sales promotion may lead to increased market share and better brand awareness. (Kim, Sharman & Setzekorn 2002: 127)

- Cross Promotions

Since the requirement of building customer-based brand equity for B2C companies is “top of the mind awareness”. With the help of cross-promotions, B2C company may pool resources with those of other companies to develop awareness on a large scale, such as combine each others’ brand images. However, when company looks for cross-promotional partners, it should select partners which have complementary products. (See Kim, Sharman & Setzekorn 2002: 127)

- Social-media-driven Sales Promotion

As word spreads fast through social media platforms, social media has become more and more important in the sales promotion campaign. In fact, people like to contact with other people and share useful information. As more customers share a brand, this brand will become reliable, recognizable and popular among people. (Smith & Zook 2011: 362 - 264)

Search Engines

On the Internet, we can find lots of search engines, such as Google, Yahoo, Baidu. The dominated search engines can help in creating brand awareness of a company, since they could indicate relevant websites for consumers and create exposures for B2C companies. In order to increase awareness, the B2C company should try to get its website on the first page of the search results, even better to list on the top. (Kim, Sharman & Setzekorn 2002: 127)

Different search engines work in the different ways. Before listing website, a B2C company needs to understand how they work (Nobles & O’Neil 2000). A B2C company need to firstly decide which heuristics will be used, and then create

“meta-tags with all appropriate synonyms” for the purpose of getting its website list on top of the results.

Word-of-mouse

Customers’ purchasing decisions are frequently affected by the personal advices, recommendations and suggestions from their family, friends, colleagues and acquaintances when they make decisions on the products (Eaton: 1). The definition of word-of-mouse given by Westbrook (1987) is “these personal informal exchanges of communication that consumers share with one another are often referred to as word-of-mouth (WOM)”. Word-of-mouse is an electronic version of word-of-mouth (Smith & Harris 2012). B2C companies can enhance their brand awareness and develop brand associations by spreading the word about it through the social media, such as blogs, forums, chat rooms, social networking sites, social recommendation sites or social content sites (See Kim, Sharmar & Setzekorn 2002: 127).

Word-of-mouse constitutes a multitude of activities, for example viral marketing, e-referral marketing, consumer profile targeting, social networks and consumer message boards. Viral marketing is very popular among both consumers and companies, as it garners much attention and creates an Internet promotional vehicle to draw attention to a brand. The world of “viral” correctly indicates that information takes on the type of viruses that extend through contact with others. (Eaton: 3)

3. Introduction of VANCL

Vancl is a B2C company based on the Internet, which is built in October 2007 by Chen Nian and now it comes up with these objectives: Internet fast-fashion brand, high cost performance, infinite choices and best customer experience(Baidupedia: 2012). Vancl uses the direct marketing model to sell its products from on-line to off-line and provides products' information on the website, without entities shops, and self-owned factory, in order to build a "light company" which lives in the E-Commerce Times (China Economics: 2012). As a private label brand, Vancl employs its own designers to design products and contact with cooperative manufactures to produce its product with the brand of Vancl.

In the beginning, Vancl focused on the department of men's clothing, especially on the men's basic shirts and Polo shirts. After four-year's fast development, now the business scope and product categories have a booming increase, involved men's and women's clothing, children's garments, shoes and bags, household articles, accessories and cosmetics (Baidupedia: 2012). Vancl's main target market is the people from 25 years to 35 years in big and medium-sized cities in China, who prefer cost-effective products and share an economic and natural living style (Chow: 2011).

As the increasing business scope, the annual revenue, listed below, also has a quick growth, increased from 1.2 billion RMB in 2010 to 3.2 billion RMB in 2011.(Pan 2012)

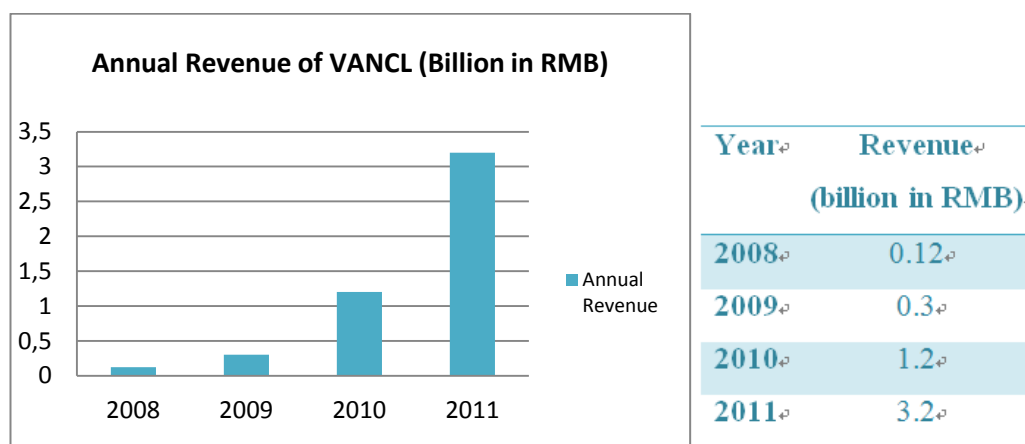


Figure 3.1 Annual Revenue of VANCL

3.1 Brand Image and Brand Position of VANCL

Chen Nian, the founder and CEO of Vancle, made a definition for this brand that is Internet fast fashion (Baidupedia: 2012), in consequence of specific clients who grows up with mature Internet and easily accepts international fashion trends but has the limited purchasing power.

In another aspect of the definition, it indicates that Vancle represents inexpensive fashion and popular fashion which can be accepted by the public. No matter which kind of job you take on or how much you would earn each month, you can enjoy this fashion brought by Vancle.

In the final level, Chen Nian gives a short but deep description of brand and its products, which is the comfortable, classic, simple and natural flavor. This level of brand image states that Vancle recommends a natural, unrestrained, simple and elegant living attitude.

Considering the whole image of Vancle, company concludes its audience is the young and middle-aged people who want to follow the last clothing style and appreciate international fashion trend and seek for a simple and nature life with finite money.

3.2 Brand Elements of VANCL

Follow the theoretical part, I will continue to introduce the brand name, URLs, logo, slogan and packaging that Vancle selected and used.

3.2.1 Brand Name, URLs and Logo

As Chinese people want to catch up with the foreign fashion trend and show the profound interest and zealous enthusiasm of English in recent years, this company decided the English name firstly and then came up with the Chinese name. “Vancle” is the English name of this company, which is also used broadly. The

“van” in Vancl means pioneer as same as the fast and creative fashion in the brand image. The letters of “c” and “l” represent initials of the two original shareholders’ family name – Chen and Lei. Then it got the transformed name in four Chinese characters with the similar pronunciation (Baidupedia: 2012).

VANCL 凡客诚品

Picture 3.2 Vancl’s Brand Name in English and Chinese

The dominate name is “www.vancl.com”, referred to the brand name. The URLs are linked to this dominate name, pointed out and displayed every products in the website.

3.2.2 Slogans

The slogan of Vancl is “Every people is our customer”, evolved from the Chinese brand name. Because the brand name consists of 4 Chinese characters, which could regard as shorting for the meaning of “every people is our customer”. Hence, company decides these brief words as its main slogan. It also in another aspect indicates goal of the company to grasp and satisfy all the consumers’ thoughts and requirements. On the other hand, Vancl has many kinds of slogans in its advertisements, which indicates the features of products. The slogans in advertisement will be talked in details in the next chapter. (Vancl: 2012)

3.2.3 Packaging

Packaging of Vancl experienced three changes since the company established. At first, it just used the simple bags or boxes neither with brand name nor with logo. Then, it improved package into folding box made by hard paper with printing brand name and logo on it. In the end, the new package that is used now is folding box as outer packing and environmentally friendly non-woven material as the inside packing.

Based on starting business with the men's shirt, Vancel need to continue to satisfy consumers' requirement that products should keep pressing when arrive at customers and package need to endure a certain level of pressure during logistics. In the meantime, as the differentiation of quantity and material of products, Vancel arrange different size of outer packing. When the package arrive at consumer, he/she can open this box easily and see the complete appearance of products in the first sight. (Baidupedia: 2012)

3.3 Marketing Programs

In this part, the knowledge of product decision, price strategy and channel distribution strategy that Vancel applied in marketing will be discussed. In addition, the marketing communication strategies that Vancel used to communicate its brand and deepen the brand image. However, the effect of these strategies and responses of existed customer and potential customer to the product, price and distribution channel will be stated after analyzing questionnaires' data.

3.3.1 Product Strategy

No matter what kinds of products, only when they meet the target market's requirements or achieve preferences, they can be remembered and liked by customers. Vancel regard its target market as 25 to 35 aged people, so they need to find out their consumption habits through the quality to the design style. Toward this objective, Vancel decided several conditions of products about choosing color, material.

Vancel chooses black, grey, white and blue as the basic color, in order to make customers get natural, harmonious, classic and elegant experiences. It chooses the natural color instead of purposely pursuing vibrant color, since the more vibrant color is, the greater damage may be resulted to the environment. As the CEO of Vancel – Chen Nian said “using the cotton mostly to make certain that customers could have safe, green and comfort products from our brand”. On the premise of improving products' quality, it selects natural added materials and ensures that proportion of cotton is more than 85 percentages. (Baidupedia: 2012)

Along with the requirements of work and living, now they develop some other products, such as men's clothing, women's clothing, children's garments, shoes and bags, accessories and household articles. Till now, the proportion of shirts to other new products is three to seven. (Baidupedia: 2012)

3.3.2 Price Strategy

Towards the concept of brand, they insist with good quality and reasonable price that most normal people can afford, and encourage a decent life style which means no waste and focus on the quality in the meantime.

Low-price strategy make Vancle dominate Internet marketing quickly and keep extending the market share on the Internet. When gain a huge market share and most people have shopping experiences in Vancle, they could send emails, categories and discount information to their customers.

However, only the low-price strategy is not enough. If they want to keep old consumers and attract potential consumers to buy products, Vancle need to ensure that product's quality shall be always in a good level. Otherwise, Vancle will lose appeal to potential customers and existed clients may not buy its products anymore.

3.3.3 Distribution Channel Strategy

A lot of enterprises used traditional distribution ways in China, such as franchisee and distributor. However, traditional ways may not be fit for Vancle as a B2C company based on the Internet. They decided to use direct sale model to sale products to their customers, when the company was established.

Firstly, company could collect the latest marketing conditions, such as sales volume of each product, and then it could arrange manufacture rightfully. Secondly, on-line direct selling can cut enterprise's operation cost in order to sell product with lower price, and at the same time customers can get lower price than the traditional marketing price. Thirdly, enterprise could timely realize customers'

comments and suggestions to products, and focus on them to improve products or enhance quality of the customer service. On the other hand, through on-line direct selling model, enterprise could build interactive relationship with its consumers. Fourthly, compared with other distribution channels, unified price and operations from the enterprise could avoid distributors' unfair competition. (Zhang: 2010)

Vancl has a special direct selling channel with its own logistics department. Unlike other enterprises use the third party to take charge of logistics, Vancl provides a chance for its customers to try on clothes at the receiving area, and then customers can decide whether they take the product or give it back if anything isn't fit for.

3.3.4 Marketing Communication Tools

Vancl applied several kinds of promotion tools to spread and communicate its brand and products from on-line tools to off-line tools.

Vancl firstly started its off-line advertising on the "reader" book from 2007. Why Vancl select this magazine rather than others? At first, "Reader" really is one of the best-seller books with wider customers in China. Its main readers are also aged from 20 to 40, which is similar to Vancl's target market. Secondly, Reader shares the same brand position with Vancl, which promotes its ideal of simplicity, profundity, coziness, and environment awareness (Chow: 2011). Now Vancl expand advertisements to other districts in the off-line promotions, for instance, metro advertising, bus station billboard, TV advertising and so on. On the side, Vancl also held some interactive activities and social initiatives like book drives for underprivileged children to engrain the brand in the user's mind.

Instead of off-line marketing tools, the on-line programs used by Vancl are taken delight in talking about among people. The company makes good use of Internet resources to advertise its products. The most famous and also the most influential advertisement would be the "vanclize" which came first in the advertisements of celebrity endorsers. Vanclize is several short sentences said in type of "like what and don't like what" to highlight one's special features and interests. At a high

spread speed, vanclize becomes popular among young people on the Internet, and can be easily found in weibo, renren, Qzone and other SNS websites (social network sites). Vancl also has banners on the Internet to promote the brand and products, and also registers on the major search engines, for example, Google, Yahoo, Baidu and others.

The quick spread speed of advertisements make more people know this brand and bring more memorable impression to its customers. The successful factors for winning advantages have two points. One is the content description and designing style should correspond with the appreciation of beauty and consumption psychology of main target market aged from 25 to 35. The other one is that Vancl should display products' features and advantages succinctly and observably to users and provide convenient purchasing method and distribution channel for them.

4. Research Methodology

In this chapter, research methods that are applied in this study will be discussed in detail. The author begins with an introduction and explanation of the used research methods, and then comes out with the data and sample collection. Next the tools in this study are analyzed. At end of this chapter, validity and reliability of this study will be introduced.

4.1 Research Method

The data that used in this study for analyzing results consists of two kinds of data – secondary data and primary data. Secondary data is the data that have already been collected and classified and can be located quickly and inexpensively (Malhotra 2010: 131-133). Most of secondary data in this study are gained from published materials and the case company's internal data. Analysis of secondary data helps to decide the marketing research problem and develop an approach (Malhotra 2010: 131). Secondary data is used mostly in the theoretical and introduction part in this thesis.

Primary data are collected for the specific purpose by the person who does the research (Malhotra 2010: 132). Primary data has two ways to be collected – qualitative research and quantitative research. Qualitative research is an unconsolidated, exploratory research methodology that is built on small samples providing insights and understanding of the research problem (Malhotra 2010: 171). Quantitative research is used to quantify the data and also apply some form of statistical analysis (Malhotra 2010: 171). There are many differences between qualitative research and quantitative research, and table listed below displays the diversity.

	Qualitative Research	Quantitative Research
Objective	To gain a qualitative understanding of the underlying reasons and motivations	To quantify the data and generalize the results from the sample to the population of interest
Sample	Small number of nonrepresentative cases	Large number of the representative cases
Data Collection	Unstructured	Structured
Data Analysis	Nonstatistical	Statistical
Outcome	Develop an initial understanding	Recommend a final course of action

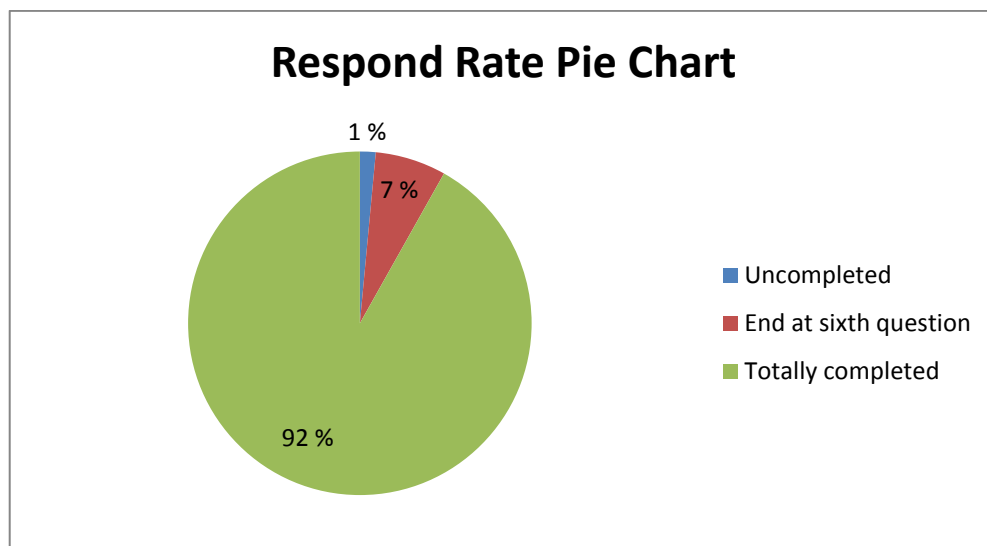
Table 4.1 Qualitative vs. Quantitative research (Malhotra 2010: 171)

In this study, I select quantitative research method towards my research problem – “How to improve customer-based brand equity for Vanc1”. Before starting with this question, we should understand what the brand impression is in people’s mind. Among the various quantitative techniques, I will use survey in my study. Because based on my topic – customer-based brand equity, it should be built on a large size of sample in order to certain people’s experiences. I will divide whole sample into three groups. One group is the people who never heard about the brand and this group will be abandoned when study about feelings and experiences of Vanc1. The second group is people who have heard about this brand but have no purchasing experiences and the other one is people who have purchasing experiences. These two groups’ answers will be taken into consider in the analysis. I will compare the same questions of two different groups and study the difference of opinions between two groups.

The survey is carried out by questionnaires in this research. The original Chinese question and the translated English questionnaire are listed as appendix in the end of this thesis. I posted the address of the questionnaire on the customers’ BBS, Vanc1’s weibo and also sent questionnaires through e-mail and QQ group. The questionnaire was created and designed by the author herself on the Askform website. Askform is a professional online platform for questionnaires in China.

4.2 Data Collection and Analysis Method

In order to do the brand impression marketing research, I choose simple random sampling and implemented this survey via Internet. The samples mainly consist of college students, graduate students and young workers whose age is from 25 to 35 in mainland China, as Vancel is more popular among young customers. Totally 135 questionnaires gained responses. However, among all responses, 2 questionnaires were uncompleted. Therefore, 133 responses were carried out in this research. But among the 133 questionnaires, there are 9 questionnaires that answered “never heard about this brand” and ended at the sixth question as shown in Figure 4.2.



Graph 4.2 Respond Rate Pie Chart

The Statistical Package for Social Sciences (SPSS) and Microsoft Excel Software are mainly used for analyzing the answers. The analyzing results of the respondents' answers will be displayed as frequency tables, group-compared charts, and percentage figures and the results also will be stated in words.

4.3 Reliability and Validity

As Winter said in 2000, "Reliability and validity are tools of an essentially positivist epistemology. While they may have undoubtedly proved useful in providing checks and balances for quantitative methods, they sit uncomfortably in

research of this kind, which is better concerned by questions about power and influence, adequacy and efficiency, suitability and accountability. "

In order to make sure of reliable data, I combined theoretical study with the empirical findings. The questions on the questionnaire and analysis were designed and conducted by each point of the theoretical study.

The validity of this research is based on the large number of references about customer-based brand equity. The literature come from on-line and off-line materials and also the company internal materials. Firstly, the introduction of on-line marketing background in China (Iresearch 2011; CNNIC 2011). Secondly, the general theories about building customer-based brand equity (Keller 1998&2003; Peter Cheverton 2006; David 1991; Warren, Sandra& Thomas 1995; Aaker & Biel 1993; Srivastava and Shocker 1991; Markus 1993; Jutila 1995; Ehrenberg, Goodhardt and Barwise 1990; Simon 1979; Kim, Sharma and Setzekorn2002; Gustafson and Chabot 1997; Beatty2011; Abrams 1981; Wilkie 1990; Murphy 1990; Karadeniz 2010; Soroka 2002; Bassin 1988; Korler 2000;Kasturi, Menezes and Maier1992; Oceanidqi 2011; Smith and Zook 2011; Kitchen and Pelsmacker 2004; Armstrong 2001; Nobles&Neil 2000; Westbrook 1987).

5. Empirical Findings

In this chapter, the analysis of responses will be stated by graphs and word descriptions. At the end, conclusions will be drawn from the survey.

5.1 Basic Information of Respondents

The first section of this questionnaire is to survey the basic information of the respondents, such as gender and age. And then their attitude on the on-line shopping is measured. In the end of the basic information research, there is a question to divide all of the respondents into three groups. One group is the people who have never heard about VancI; the second group is those people who have heard about it but have no shopping experience; one group is those people who have heard about the company and also have shopping experience there. The first group ends this survey after two more optional questions. The rest of the two groups will continue the survey with the questions about VancI.

In figure 5.1 (genders of respondents), it is shown that the proportions of female and male are almost the same. However, the ratio of female is 51.88%, which is only a little a higher than the 48.12 percentage of male.

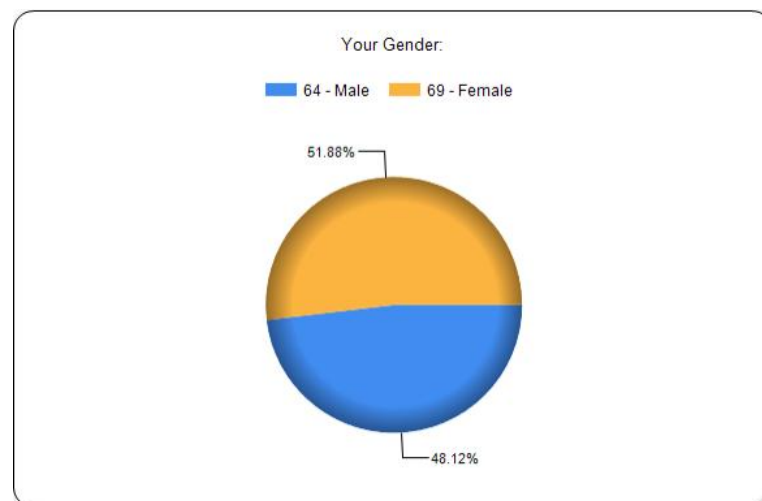


Figure 5.1 Genders of Respondents

Since the main customer group of VancI is college students and young workers whose age ranges from 25 to 35 year-old, I choose people less than 18 as the first group, and people more than 35 (exclude 35) as the last group, then divides people aged from 18 to 35 into three average groups (18 to 23, 24 to 29, 30 to 35).

As figure 5.2 shows, the largest share is those people whose age is from 18 to 23 year-old (67.67% with 90 respondents), and the next largest group is the people aged from 24 to 29 (24.06% with 32 respondents). The minimum group is people aged from 30 to 35, and it only includes 2.26% with 3 respondents. The people who are under 18 or over 35 take the same proportion— 3.01% and each group have 4 respondents.

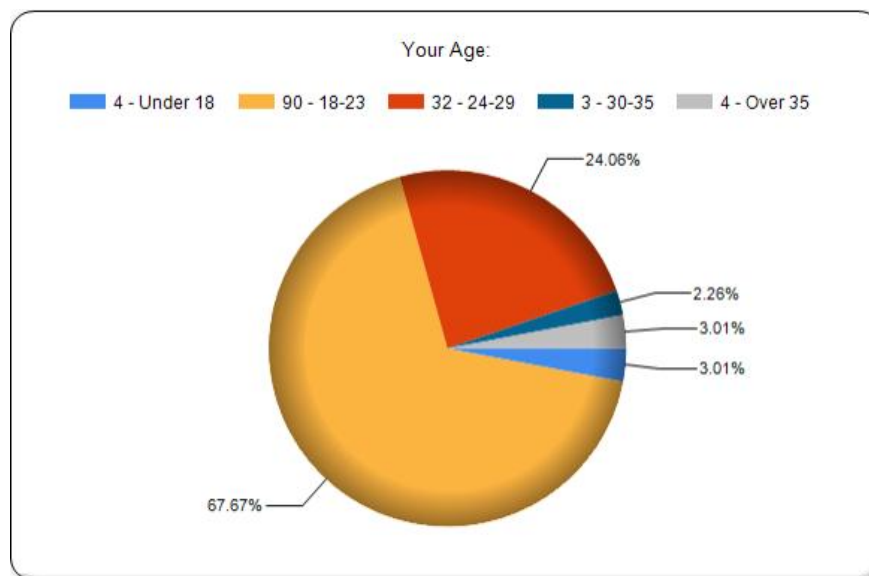


Figure 5.2 Ages of Respondents

The third question is about frequency of on-line shopping. As shown in figure 5.3, most people buy products on the Internet monthly or quarterly. However, the number of monthly purchasing people (49) is a little higher than the number of quarterly purchasing people (46) with 3 more respondents. There are also 16 respondents who do on-line shopping once a week on average as the third largest group. The number of people who occasionally buy products on the Internet is 12,

which is more than the number of yearly buyers. The yearly buyer group only has 10 responses as the minimum group.

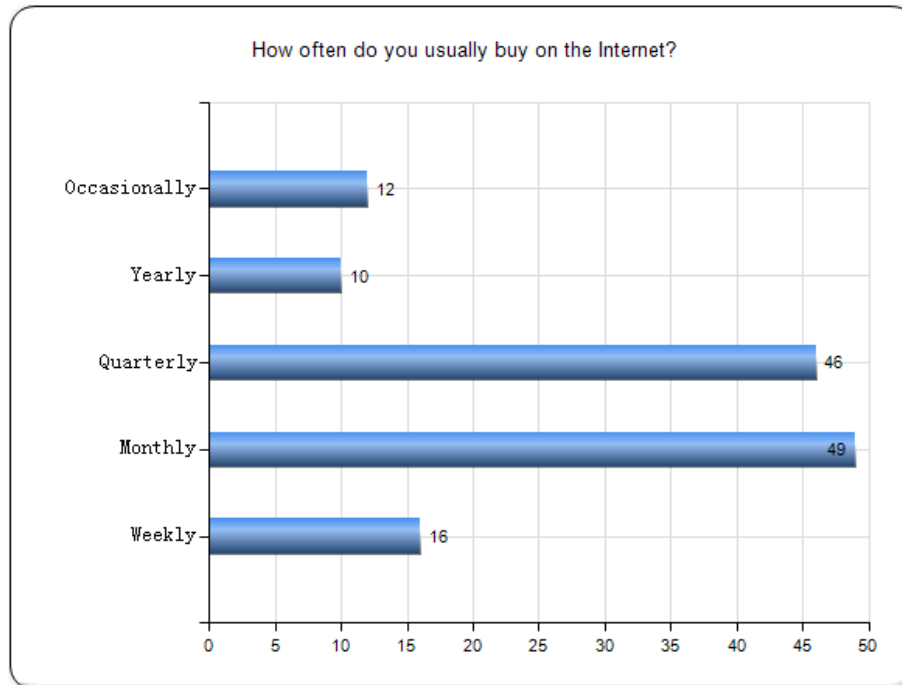


Figure 5.3 Frequency of On-line Shopping

Figure 5.4 shows which part people will pay more attention to when they buy products on the Internet. More people regard customer service as the most important factor that will influence their purchasing decision and almost 67 percent of people choose this alternative. The second important one is the price of product, which has 82 supporters and takes 61.65% of the total responses. The brand of one product comes as the third most important factor. There are 55 people who select this option and it gets more than 40 percent agreement (41.35). The appearance and function of one product comes after the brand as the fourth important area. This option gets 53 supporters and accounts for 39.85%. The quality of product which is about 21.8% of all responses comes as the fifth important factor. The last one is the speed and quality of logistics which only has 12.78 percent and only 17 people select this option. In general, people pay more attention to the customer service, price, brand and appearance and function of

product when they go shopping on the Internet, and think less about a product's quality and the speed and quality of logistics.

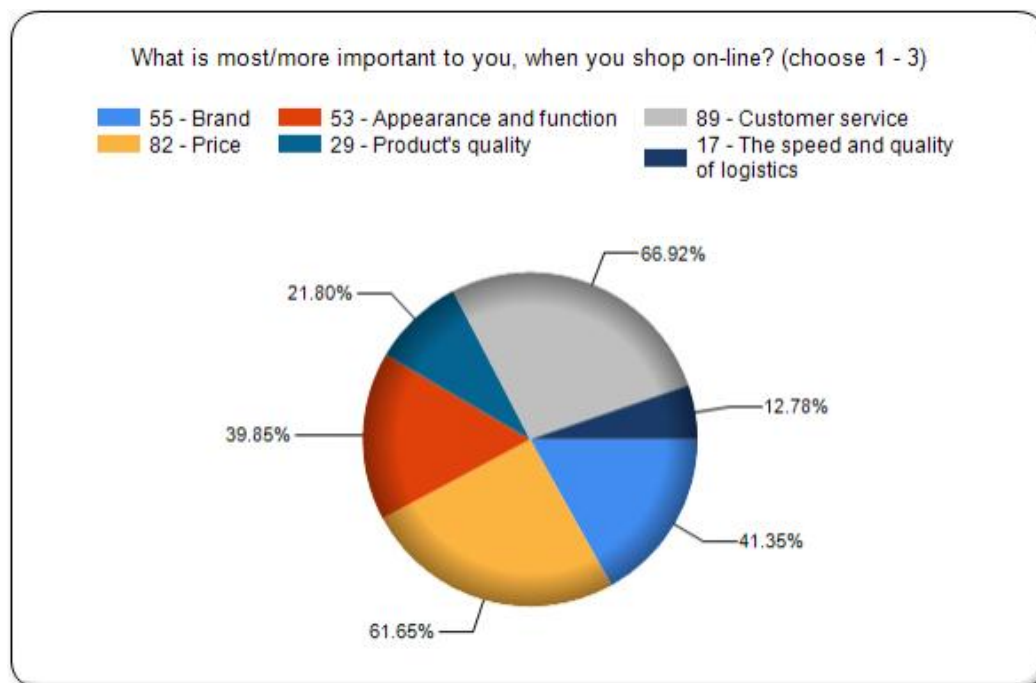


Figure 5.4 Most Important Factors in On-line Shopping

The favorite private brand of Business to Customer (B2C) retailers is displayed in figure 5.5. This graph shows that VancI accounts for the largest proportion, and it has more than half of the responses accounting for 66.7%. The optional choice comes after VancI and takes the second largest share (19.7%). Most of the people who answered other state that they would like to buy branded products on their official website. There are 6.06 percent people who prefer to buy products in Mecoxlane. The fourth favorite brand is Moonbasa and it is chosen by 3 percent of the respondents. QiGege and MasaMaso account for the same proportion in the survey and each of them is 2.27 percent.

From this question, it can be learned that VancI has a broad range of customer and is trusted by lots people compared with the other competing brands. On the other hand, the chart also illustrates the importance of a strong brand when an enterprise runs its on-line business according to the second largest option – official website of branded products.

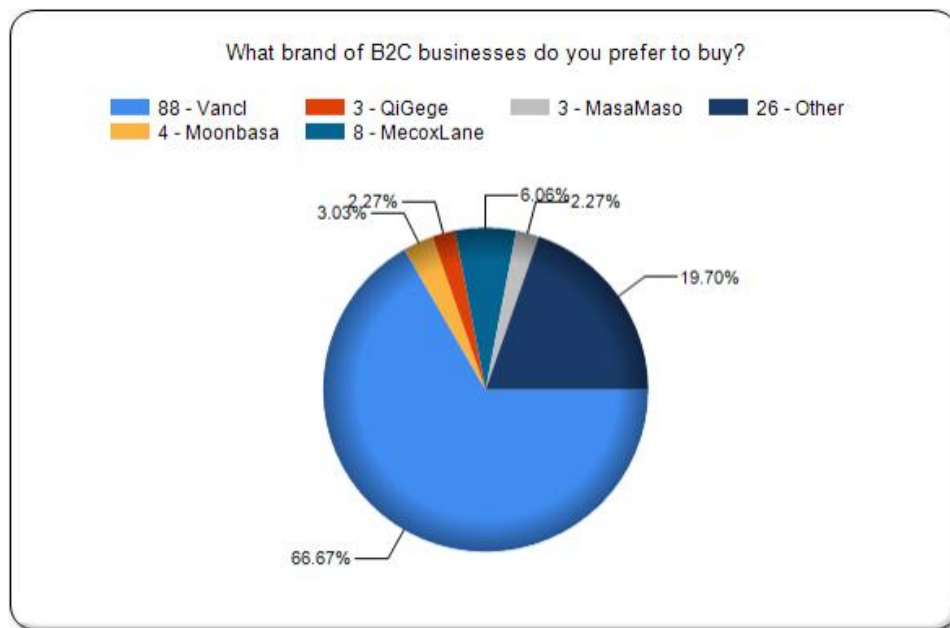


Figure 5.5 Favorite Private Brand of On-line Shopping

As figure 5.6 showed, about 9 people have never heard about this brand. Among the rest of the responses, more than half of the respondents have heard about this brand and also have experiences which take 57.14 percent of the total respondents. There are about 48 people who have heard about it but have no shopping experience, taking about 36.1 percent of all the responses.

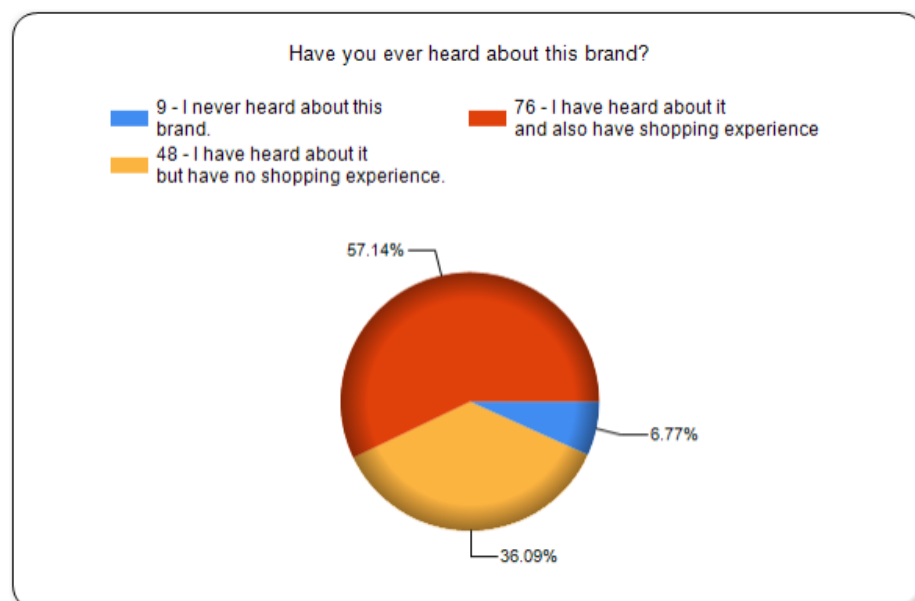


Figure 5.6 Response of the brand – VANCL

5.2 Impression on the Brand and Attitude towards Marketing Programs

The aim is to study the impression that audience leaves on this brand about brand elements and the product, price and distribution channel strategy of Vancl. What is the response and attitude of audience about its marketing programs? After finishing the analysis of this part, a regional knowledge on whether the customer-based brand equity is successful or not can be gained.

This question is used to measure how the audience contacts with Vancl. In figure 5.7, it is shown that three options have similar proportion of the whole responses. There are 37.10% people who know this brand through social networks. For example, their friends or families recommend Vancl on their blogs, or share the product's link on micro-blogs. The way of official website as a source of knowing Vancl was selected by 43 respondents and is the second largest choice with 33.87%. The method of on-line advertisements has 42 supporters or 33.87% and it is less than the official website. The fourth biggest way is off-line advertisements which accounts for 29.84%. Search engines as the way of contacting Vancl takes about 21.77% of the total responses, coming after the off-line advertisements. The ways of E-mail advertisements and apps or widgets on mobile phones or personal computers have the same number of responses with 10 people or 8% as the way of learning about the case company.

As an on-line shopping brand, Vancl has developed a suitable way to let more people know its products and brand. It focuses on on-line promotion and also improves its off-line promotion. However, apps or widgets are not as popular as I expected before, and e-mail advertisement also have a similar situation.

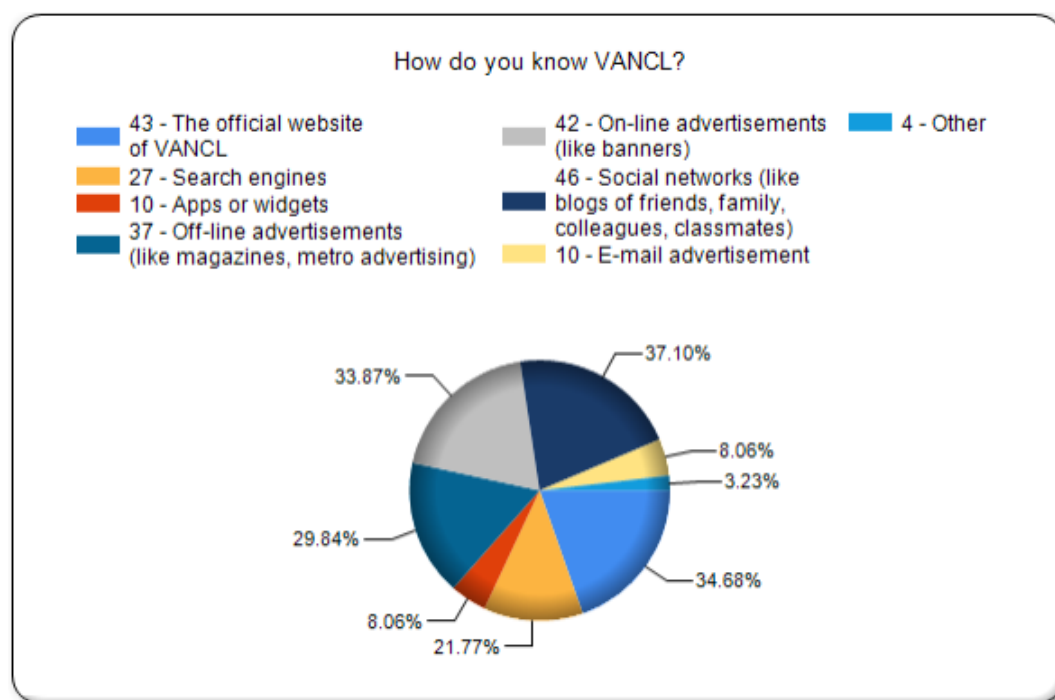


Figure 5.7 Ways to Know VancI

In order to research the general impression of this brand among people, analysis was made based on two different groups with different experience – the people without shopping experience and people with shopping experience, since these two kinds of experience may bring various results. According to reliability, I compare two groups with percentage so as to get correct and accurate data, as the total number of each group is different. The first group is people who have no shopping experience and the second group is people who have shopping experience. Both of the two groups have ever heard about this brand.

Among the first group, there are 45.83 percentage people think about VancI as an on-line shopping platform. In the meantime, there are 52.63% of people in the second group who selected the same option. There are 45.83% people in the first group and 69.74% people in the second group regard VancI in terms of one or several particular merchandises, such as shirts, jeans, polo-shirts or others. As one reliable brand, only 22.92% people in the first group and 35.53% in the second group think in this way. Both of the two groups have the smallest proportion on the impression of an independent and nature-respecting life attitude, 18.75% of

first group and 11.84 percent of second group. One person mentioned that Vancl presents low-level and middle-level mass products.

The data shows that two groups with different experiences have distinctive opinions. People with shopping experience at Vancl select the second and third choices more than those without shopping experience at Vancl. However, fewer people with experience regard Vancl as presenting an independent and nature-respecting life attitude than the non-experienced group.

In general, Vancl lacks of a visible brand image, since experienced people like and trust its brand and products but they cannot realize the spirit that Vancl aims to represent.

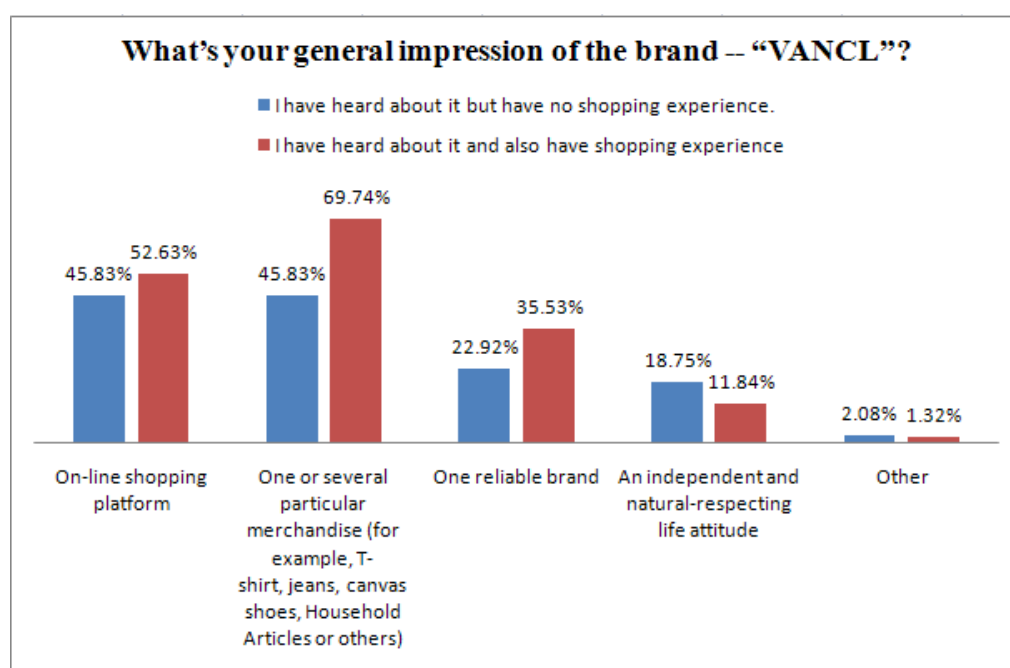


Figure 5.8 General Impression of the Brand

The next question measures the audience's impressions on brand name. Most people think that the brand name is clear and easy to understand with a proportion of 36.29%. 25% people think that this brand name is easy to remember and recall. The ratio of people who think that the brand name is meaningful is almost 17% with 21 responses. People who think the brand name is unique and a special

symbol is less than the people whose impression is meaningful, which accounts for 14.52%. There are fewer people who think it is fashionable and not easy in outdated, and the proportion of those people is only 2.42%. Also, one people considered the brand name an ordinary but genuine brand name.

In summary, lots of people think that the brand name of Vancl is simple and easy to remember and recall. However, fewer think it is a meaningful and fashionable brand name.

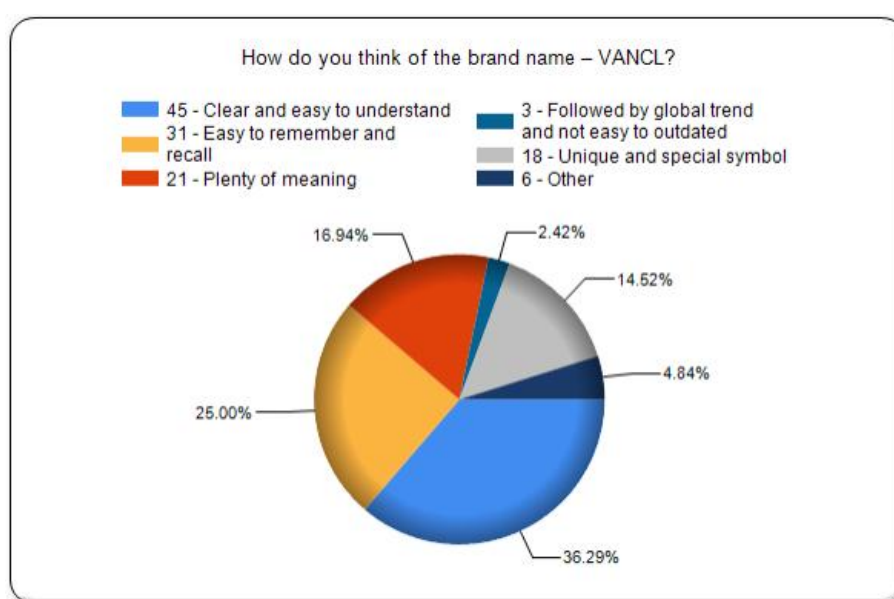


Figure 5.9 Impression of Brand Name

Figure 5.10 shows people's impressions on the slogan. Most of the audience think this slogan is clear and easy to understand (42: 33.87%). The people who think it is easy to remember and recall has the second largest position with 24.19% of supporters. An impression which arouses sympathy easily comes at the third place and has a 17.74% of replies. About 10% of people think this slogan is easy to identify and recognize from other brands. Only 8% of people have the opinion of a meaningful slogan, which takes the smallest share. Those people who selected "other" think this slogan is too simple to present the characteristics and features of the product and even the brand image.

In short, most people think the slogan is over simple and lacks of meaning, such as product's feature and brand image. However, this simple slogan is easy to remember and understand.

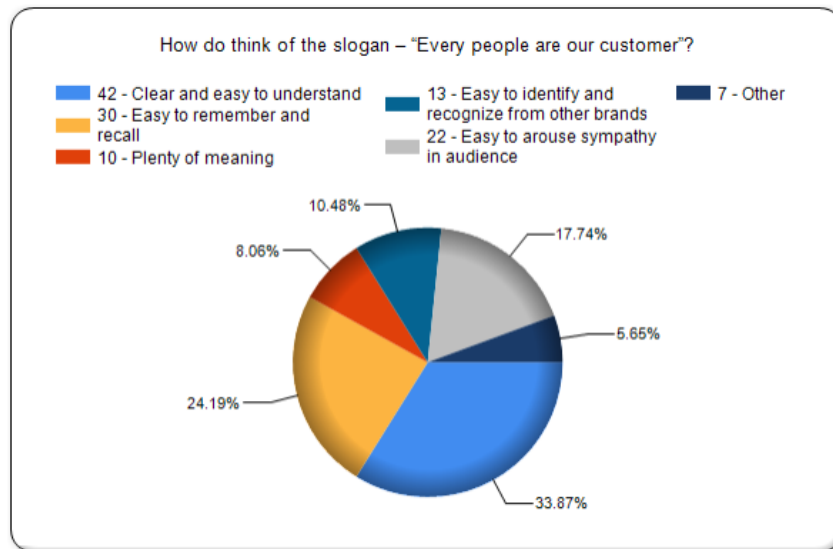


Figure 5.10 Impression of Slogan

As figure 5.11 shows, almost half of the audience feels this logo is easy to remember and recall with 60 responses on this option (48.29%). The number of people who think the logo completely represents the image of VancI is close to the number of people who think it leaves a deep impression on customers with two more people. In all of the answers to this question, there are also several people who think the logo lacks of design and has no outstanding features.

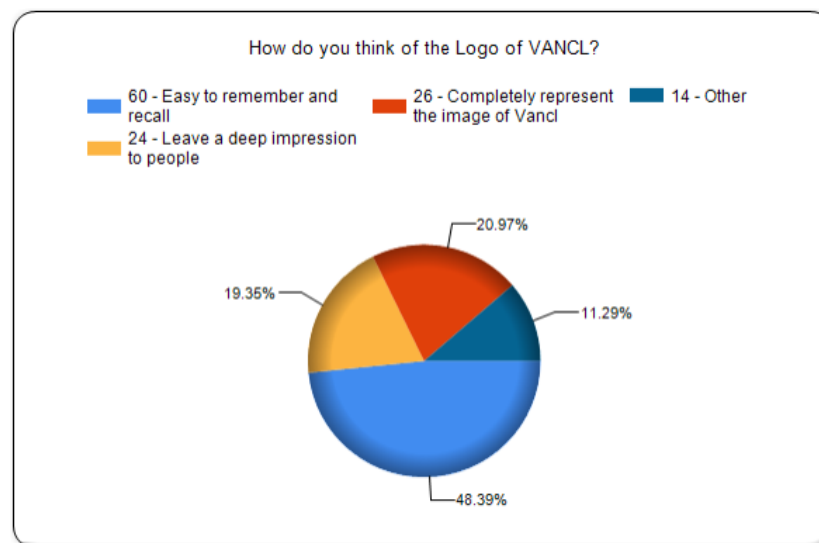


Figure 5.11 Impression of Logo

As the real shopping experiences influence customers' impressions on products, I analyze this question in the same way as mentioned above with two different groups – first group without shopping experience at Vancl and the second group with shopping experience at Vancl. Also, I will still use the percentages to compare these two groups because of the different base number of respondents.

Both of groups have the largest proportion on the impression of multiple choices of color and design style. They have 35.42 percent and 42.11 percent; however the ratio of the second group is larger than that of the first group. The two groups have close percent on the response that a new product comes quickly; the first group accounts for 12.50% and the other one for 13.16%. On the impression that products have good quality, the two groups have a big difference. The group who does not have shopping experience at Vancl only has a share of 10.42%, but the group who are experienced customers at Vancl has 26.32% and also is the second largest option after the multiple choices. There are 8.33% of people in the first group who think the products are fashionable and simply designed but 2% more in the second group agree with this choice. About the impression that most products are designed elegantly and classically, the share of people from the first group is 12.5% and people from the second group is 3.95%. The rest of people mentioned

that product's price is lower and it is not taken into consideration as it will be measured in another question of price.

In short, experienced customers trust the quality of products while no-experienced people do not trust their quality as much as the experienced customers. This can be seen as a shortage of marketing communication. Less experienced people think products are designed elegantly and classically, but more no-experienced people choose this option. Vancle needs to modify its products' design and quality, and not only rely on advertisements or other promotion tools.

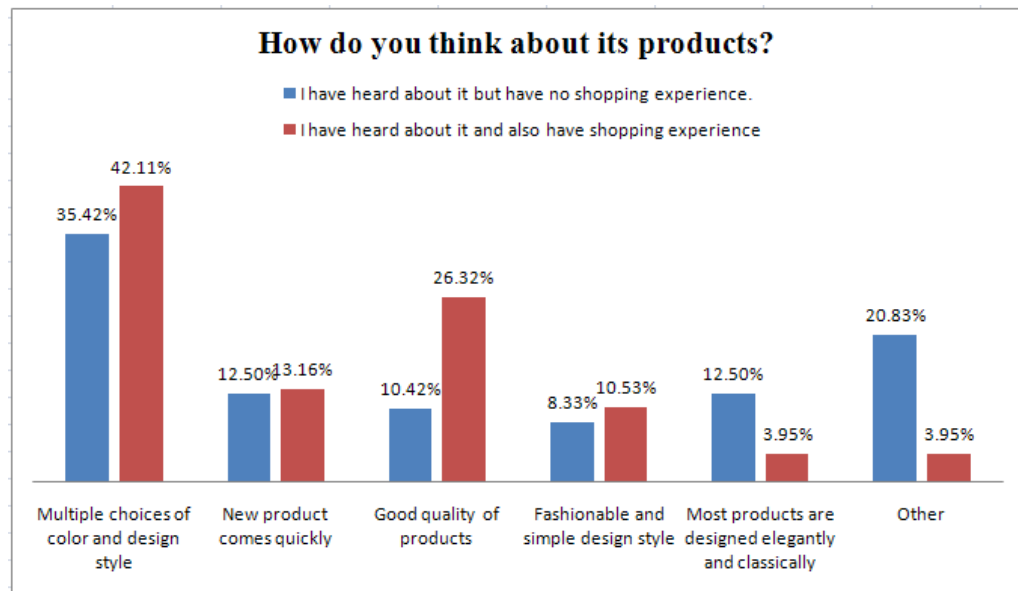


Figure 5.12 Impression of Products

Figure 5.13 shows that more than half of respondents agree with the moderate price and those people take 61.29% with 76 replies. There are 22.58% of the total respondents who think the price is higher than normal price. And also 13.71% of people who think it is lower than the normal price. The number of people who think the price is too high is only 3 with 2.42%. Nobody think the price is too cheap. In general, most of people are satisfied with the current price.

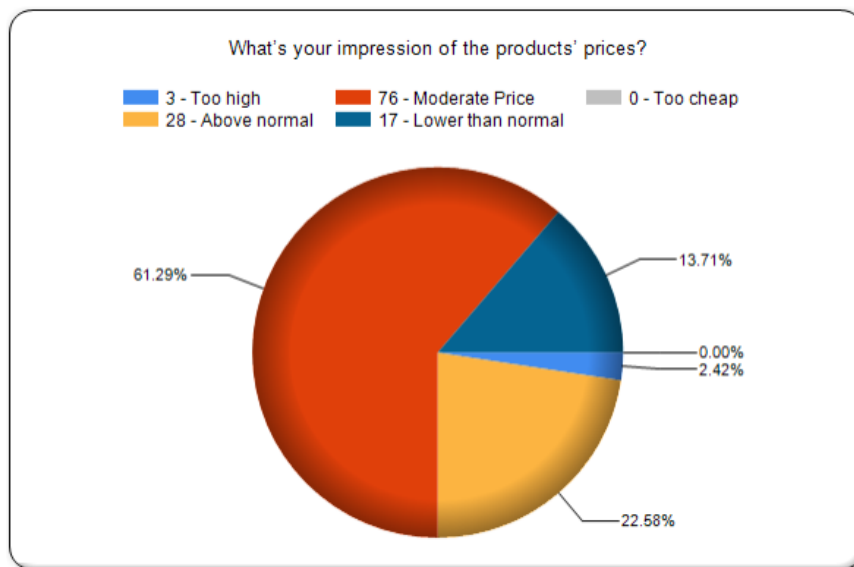


Figure 5.13 Impression of Products' Prices

Figure 5.14 shows audience's attitude to build the off-line shops. Most people agree with building off-line stores, accounting for 61.29 percentages. There are 33 people who remain neutral on this question (26.61%). A few people don't agree to build the off-line shops and the number of those people is 15 taken 12.1%.

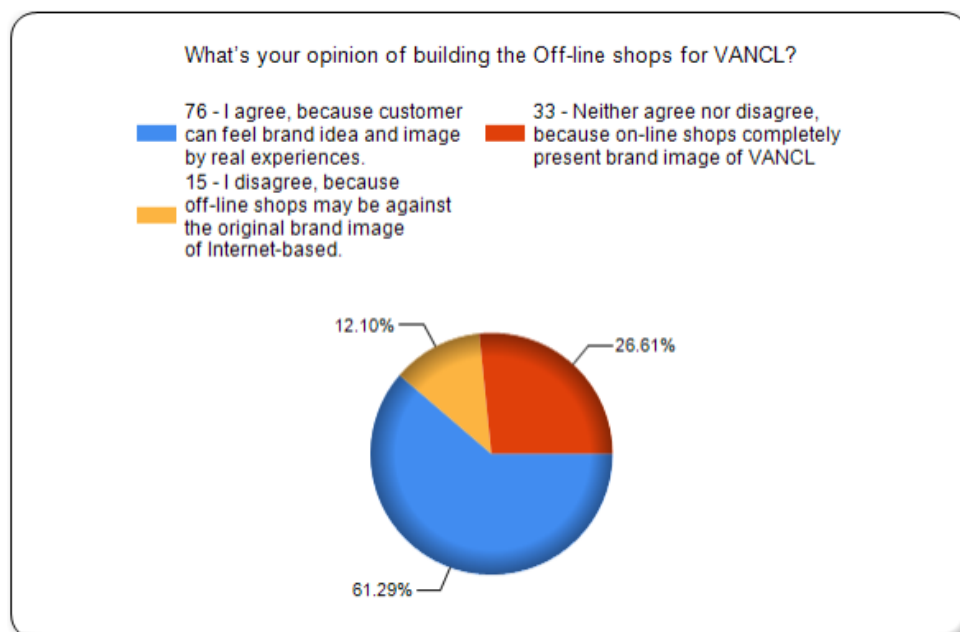


Figure 5.14 Attitude of Building Off-line Shops

Vancl takes kinds of activities to enhance its brand image in customers' mind. This question is used to measure which activity is the most popular one in order to make further plans to help company improve customer-based brand equity through effective activities. The question lists sever popular activities that Vancl have carried out and get a positive response.

As figure 5.14 shows, about 56 audiences have strong impression of microblog advertising (Vanclize), so this active is also the most powerful one. The second one is celebrity endorsement and endorser designs products by herself, and about 32.26% of people who give their support to this option. The competition of reuse packing boxes takes about 8% of shares and is the third largest number of supporters. The activity of corporation with EBay comes after the competition of reuse packing boxes. The movement of cross-promotion with Suning gets 7 responses and accounts for 5.65%, one respondent less than the corporation with EBay.

Through the two most popular activities, it could be concluded that the audience is easy to accept the individualized activities which focus on displaying the feature of products and brand. And in another aspect, those activities are more similar with the main customers' impressions of this brand, such as creative, special and other characters.

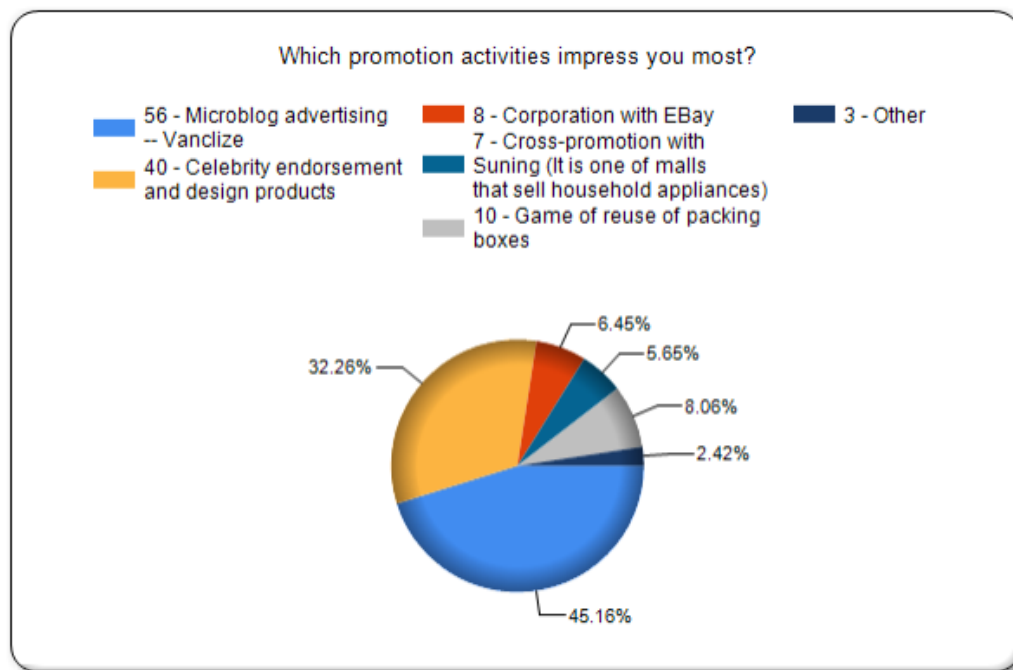


Figure 5.15 Promotion Activities

Enterprise has its own endorsers to present and complete the meaning of brand and enhance the brand awareness and brand association. As this reason, Vancize selects several endorsers. The question is used to analyze how audience feels about the endorsers and whether their characters are suitable for Vancize's image.

Figure 5.17 indicates that half of respondents think that endorsers of Vancize present thoughtful and independent life style (62: 50%). The second feature that most people agree is a simple and natural attitude. The share of those people is 45.16%. Among all the respondents, 40 people consider that the endorsers are very young and boldness, standing on the third position with 32.26%. More than thirty audiences believe that endorser stand for cheerful and lively character and the ratio of these people is 27.42% (34 people). There are 29 people think that its endorsers are on behalf of elegant and classic feature, which accounts for 27.42%. The fewest people agree that endorsers give expression to the cool and fashion (24: 19.35%).

Shortly, two endorsers could represent most brand characters and are fit for the brand image. People easily connect the endorsers with brand and recall the brand

via endorsers. However, elegant and classic design style as a part of brand image is not displayed completely.

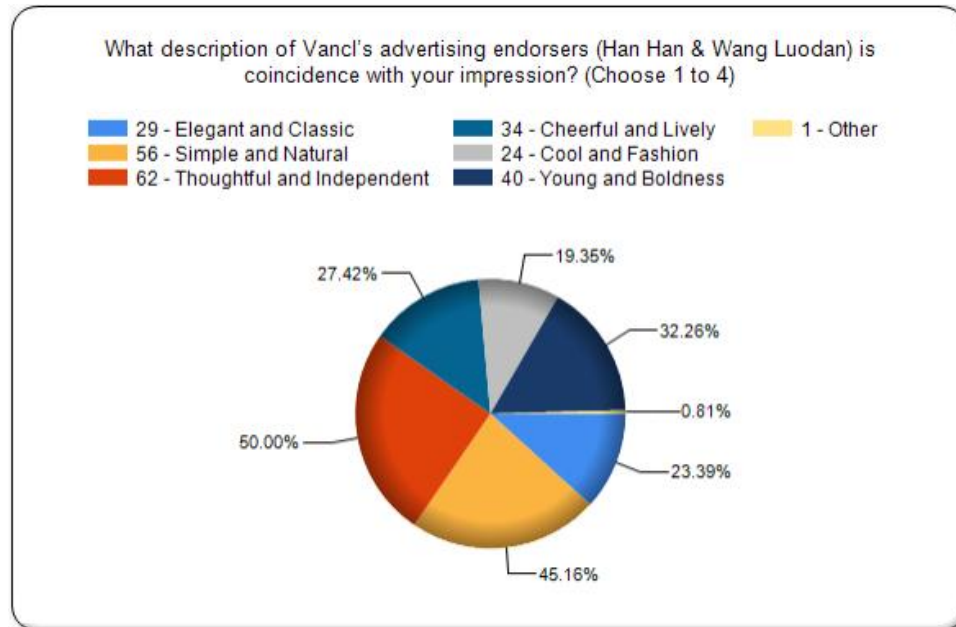


Figure 5.16 Impression of Vancle's Celebrity Endorsers

Figure 5.17 presents the question whether you could feel Vancle's brand image through the on-line advertisement? Since Vancle is an on-line shopping brand and most people communicate with it through the Internet, on-line advertisement plays an important role during the whole marketing programs.

As the pie chart shows, more than half of respondents think that they could feel its brand image through the on-line advertisement. There are also 25% of audience who hold the neutral attitude, neither agree nor disagree. The ratio of people who completely agree that on-line advertisement could convey brand image is 21.77%. Three people do not agree with this condition (2.42%). No one select the alternative of completely disagree.

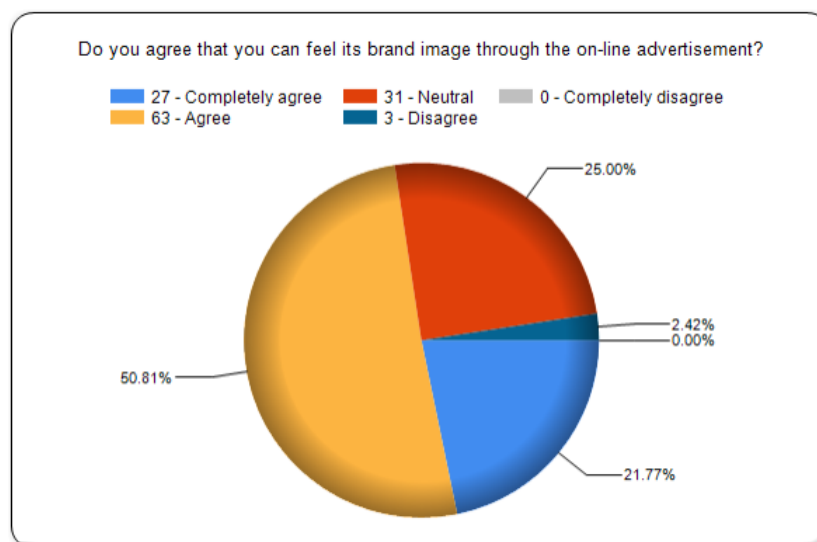


Figure 5.17 Attitude of on-line advertisement

5.3 Research Based on Actual Experiences

This part of questionnaire includes two groups of questions that separately based on the real shopping experience and no shopping experience. Questions (18-20) focus on customers' experiences during the whole shopping process from selecting product to distribution channel to the official website. Question 21 makes survey of the reason why people don't want to purchase on Vancle.

5.3.1 Analysis on Real Shopping Experiences

The first question of this part measures what kinds of products make customers most satisfied. According to the gender, male and female would like to buy different products. In order to make sure of brand and product position, I used the split group method.

As males' answer, the three kinds of most popular products are low-standard T-shirts (46.51%), high-standard shirts (39.53%) and shoes and bags (23.26%). Pants located in the fourth satisfied product with 11.63% of audience. At last, the accessories and home supplies take the same proportion – 4.65%. There is no one select the cosmetics.

Based on the females' answers, the first three satisfied kinds of products are skirts (44.44%), shoes and bags (37.04%) and low-standard T-shirts (27.78%). The ratio of high-standard shirts is a bit of lower than the low-standard T-shirts, which is 25.93%. The last three popular products are accessories (12.96%), cosmetics (9.26%) and home supplies (1.85%).

To conclude, there are different attitude between men and women on the satisfied products. Vancle needs to develop different strategies to promote products according to different conditions.

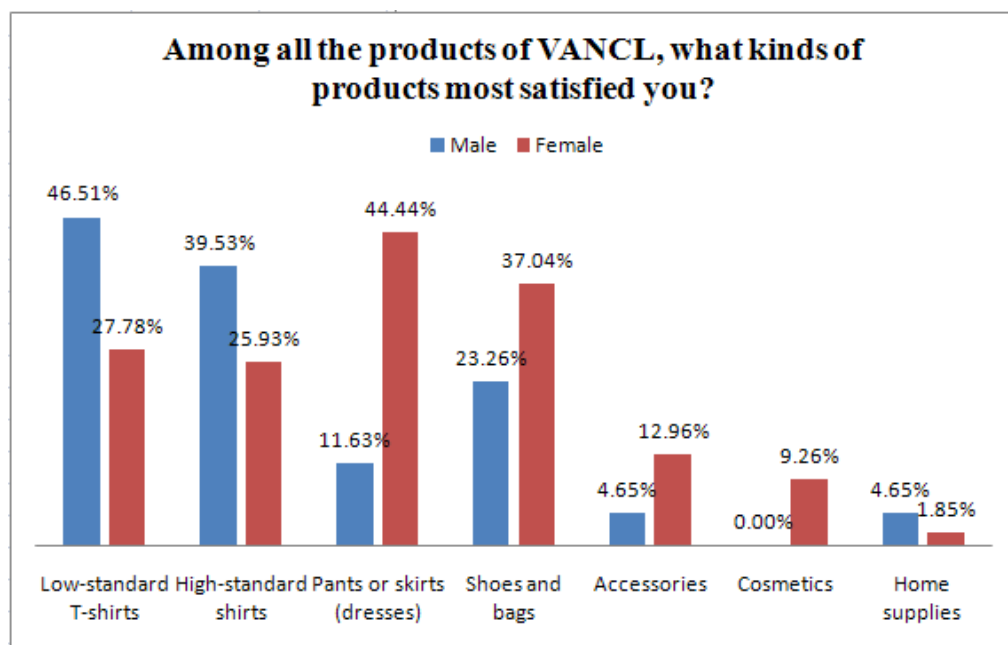


Figure 5.18 Satisfied Products

Vancle has its own special distribution model – cash on delivery in order to service its customers in a better way, which also correspond to the part of brand image – best customer service. Hence, the nineteenth question measures how its customers feel about it.

Figure 5.19 indicates that almost all of the consumers would like to select the special way, instead of traditional method. There are 67.82% of customers (59) completely prefer this way and 21.84% of customers (19) like to choose it compared with traditional methods. However, 19 customers think the price is a

little high. Five people have no preferment of the two types accounting for 5.75%. In the end, four people don't like the cash on delivery and they insist with the traditional ways.

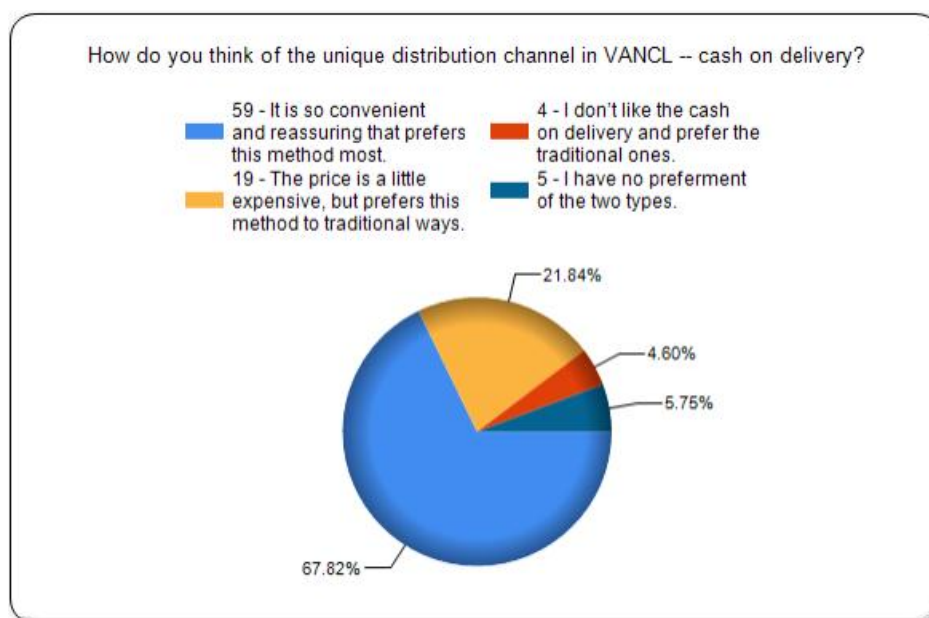


Figure 5.19 Impression of Distribution Channel – Cash on Delivery

Questions	Answers				
	Totally disagree	Slightly disagree	Neutral	Slightly agree	Totally agree
Clear structure and easy to operate	2	1	8	52	13
Simple and beautiful website design	1	3	14	48	10
Fast operation speed	4	2	21	40	9
Security on-line payment system	5	3	19	42	7
Complete and abundant products information	6	5	22	35	8

Table 5.20(1) Description of Answers about Impression of Official Website

The twentieth question makes research on the official website of Vancl and consists of five parts – website structure, website design and beauty, operation

speed, on-line payment system and products' information. Table 5.20(1) describes answers of each part on official website and table 5.20(2) is the overview of the result and data analysis.

	Questions	Mean	Missing	Valid
Impression of the Official Website (1=Totally disagree, 2=Slightly disagree, 3=Neutral, 4=Slightly agree, 5=Totally agree)	Clear structure and easy to operate	3.9605	0	76
	Simple and beautiful website design	3.8289	0	76
	Fast operation speed	3.6316	0	76
	Security on-line payment system	3.5658	0	76
	Complete and abundant products' information	3.4474	0	76

Table 5.20(2) Overview of Impression on the Official Website

The above table displays all the impressions of Vancle's official website. Among all of the responses, audience believe that the official website is clear structured and easy to operate as the best factor (mean 3.961). And then they think it has a simple design style and it is generous and beautiful (mean 3.829). The number of people who agree with fast operation speed to a certain extent (mean 3.632) is a little higher than those who thought it has a secure on-line payment system (mean 3.57). The last factor that official website has complete and abundant information of products has a mean of 3.447.

5.3.2 Reasons why those people do not want to buy in Vancle

In this survey, there are still forty-eight people who do not have shopping experience in Vancle. The twenty-first question studies the reason why they have no experience.

As the pie chart says, poor quality (27%) and unqualified descriptions on the Internet (19%) are dominative factors which could influence people's purchasing decisions. The proportion of people who select the high price (13%) is a bit of lower than those who select out-of-date design (14%) by 1 percent. Fewer people mentioned about quality of logistics (5%) and customer service (2%). Also there are lots of people chosen "other" option and they are used to go to the other on-line shopping platform, such as Taobao. However, Taobao doesn't belong to the private clothes brand and it only provides places for the small merchants, which isn't taken into consider in this study.

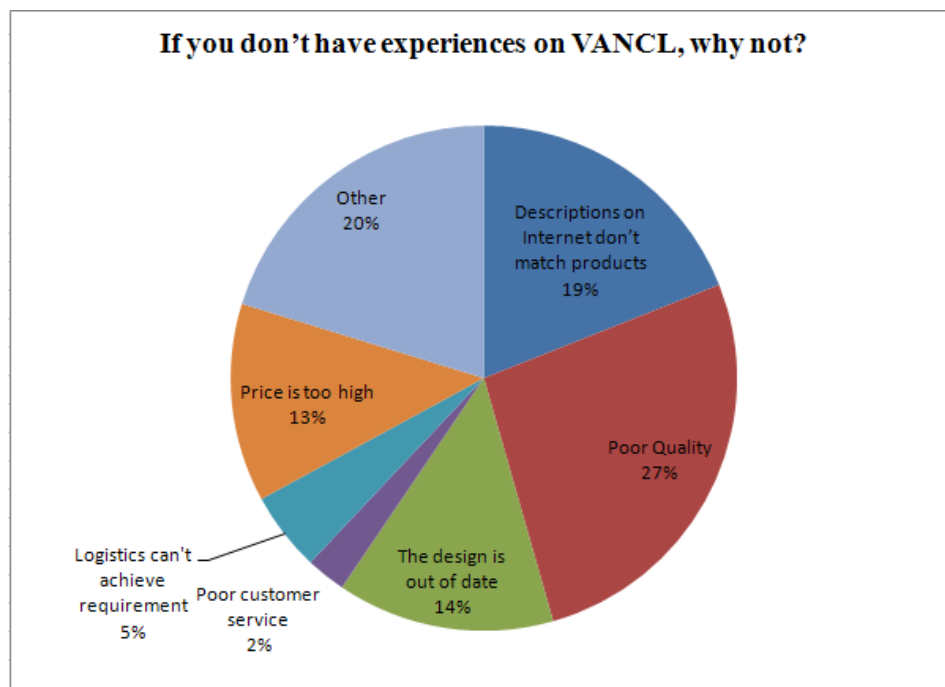


Figure 5.21 Reasons of No Shopping Experience in VancI

5.4 Brand perception of VancI

In final, an open question of giving advices to VancI is the end of questionnaire. There are total 93 people that answer this question.

The first problem is not enough promotion and publicity, especially in small and medium sized cities. 17 people mentioned that the off-line advertisements could be seen everywhere in big cities while small and medium cities lack of those

advertisements. Especially, some people who live in the small cities never heard about this brand. In another hand, 8 more people thought that on-line advertisements are plenty of meaning and become very popular among young people but the off-line advertisement is not so attractive as on-line ones. VancI should strong its off-line promotions to let more people know this brand.

The second problem is the quality of men's clothes is not so good as expected, which is stated by 32 respondents. Whereas, a young male worker needs to focus on the quality and appearance in order to get a responsible impression from his colleagues and supervisors. As an important factor, VancI needs to improve the products' quality to keep the old customers.

The third problem is mentioned by 10 women. They would like to buy a casual and comfortable suit which is suitable for work. However, a lot of female clothes are such a bit of serious and formal style that they feel uncomfortable and little old fashioned.

There are 34 people who mentioned the types of products are too much and complicated to identify the original brand image. In the beginning, VancI only has men's clothes and also has a large group of customer. However, with the development of products, some people just regard VancI as an on-line shopping platform or just clothes and they can't recognize what this brand represents for. VancI should make a clear strategy for the missing brand association and improve the current situation.

6. Summary and Conclusion

At first there will be a summary of the study in this chapter, and then the empirical suggestions for VancI to improve its customer-based brand equity will be presented. At the end of this chapter, some suggestions for further study will be given.

6.1 Summary of the Study

Since customer-based brand equity consists of two factors – brand awareness and brand association – in order to understand the level of brand awareness and brand association. First, two questions should be measured: how could people feel about brand image and what kind of knowledge do they have through brand elements? Also marketing programs help company to convey its brand to its audience. The content of the questionnaire was designed to study these problems.

From all the responses to each question in the empirical findings and theoretical study, the listed below conclusions could be drawn.

- Most of people cannot regard VancI as a clothing brand and believed that it only is a platform for on-line shopping.
- Almost all of the respondents think VancI's name and logo are very easy to understand, remember and recall. However, they also think that brand logo is so simple and featureless that difficult to differentiate from other brands.
- Considering the slogan, some people think it is sincere and straightforward and also can present the "best customer service" of the brand image. However, other people think this slogan lacks of meanings and can't completely display the characteristics of the products and the image of the brand at the same time. Also it lacks of particular features to catch customers' first impression.
- Most people regard VancI's products as multiple choices and some people think VancI's products updating speed is very fast. The two aspects just present the "internet fast fashion" and "infinite choices" of brand image.

But on the quality of products, the experienced customers have a different opinion with the none-experienced people. Experienced consumers believe VancI has good quality, while others cannot believe in this. This situation may be brought by the limited off-line marketing communications, as people do not have a direct thought.

- Most respondents realize the price and unique distribution channel of VancI has competitive power compared with other private on-line shopping brands.
- The promotion activities and celebrity endorsements have a positive effect on the brand communication. People could combine them with the brand image and get the associations between those activities and the brand.
- Among all kinds of products, people still prefer to buy the traditional types – T-shirts, high-standard shirts, pants and skirts and shoes and bags.
- Many audiences have a good impression on the structure, content, design style, operation speed and on-line payment system of VancI's official website. VancI should improve the information on products on the website and make the information more detailed and clear.

6.2 Empirical Suggestions to VancI

In this sub-chapter, suggestions which are based on the theoretical part of customer-based brand equity and the empirical conclusions from the survey are provided.

Brand Elements

The existing brand name could be better to keep, since it already has a certain level of brand awareness although not a very high level. VancI should take other measures to enhance brand awareness and brand associations, such as modify the used slogans. For example, they could choose a simple sentence as the main slogan based on the brand image, and each year provides a new definition to describe the slogan and also complete the whole brand image. At the same time, each year VancI should come out with new products and communication plans toward the definition of this year. The most important element is that no matter

what kinds of sentences are used they should surround the slogan and the slogan should surround the brand image.

Also, celebrity endorsers can complete and enhance the brand image, which will be introduced in detail in the third part of this sub-chapter.

Product, Price & Distribution Channel

The survey demonstrated that the range of age of the customers is a little different from the prediction of the company. Young people who are aged from 18 to 30 take the biggest share of the whole customer group. Since those people are just entering a working life and cannot earn so much money, they would prefer to buy some cheap clothes which are suitable for work. However, those people who are over 30 years old may more prefer good quality and the meaning of a brand. Hence, they would like to buy the product of a famous brand.

Building the off-line stores could help to solve this problem to a certain extent. In the real shops, customers could get the real feeling of products and get more detailed information through face-to-face communications with customer service. For Vancle, building off-line stores could improve the brand image via the decorations and locations of the real stores and also more people would get to know and understand the brand and product in this way. On the other hand, since Vancle has its own warehouses all over the cities in China, off-line shops could also be used as storage. In general, the off-line stores could help the company save in advertising and publicity expenses and also in storage costs.

Marketing Communication

More marketing communication activities should be carried out, not only in big cities, but also in the small and medium sized cities and take both on-line and off-line tools into use. In addition, the following could be done.

- Improve the functions of apps and widgets so that more and more young people will know them and use them on the mobile phones that can be also understood as enhancing brand awareness. Also, on the apps and widgets, the company's culture, clothes guide and other functions could present the

brand image consistently. Therefore, apps and widgets could also enhance brand associations in customers' minds.

- Developing new endorsers and new marketing movement helps demonstrate elegant and classic in brand image. On the other side, Vancle needs to rely on good materials and basic designs in order to transform this image.
- As more people know this brand and different kinds of products come out, Vancle should make the brand segmentation according to the different target markets. For example, men's clothes and women's clothes have different sub-brands. The men's brand could give an impression of a classic and qualified style and the women's brand could focus on fashionable and multiple choices.
- Vancle could corporate with other enterprises to enhance brand awareness and brand associations, and complete the image that is not presented by activities now. However, Vancle should choose corporate enterprises carefully based on the brand image.

6.3 Suggestions for Further Study

At the end of this study, suggestions and comments concluded from the research experience are provided ideas for further studies.

- As this thesis only researches the short-term strategy for Vancle, a further study on the long-term strategy to measure and enhance customer-based brand equity should be done. The short-term strategy and long-term strategy comprise the whole program for building strong customer-based brand equity.
- In this study, only the existing brand elements are studied in the empirical study. Also, the suggestions for Vancle are not validated. The other suggestions for endorsement and promotion tools have a similar situation that is not measured yet.
- A private on-line clothing brand is taken into consideration, while other private brands are excluded. In addition, B2C malls which have many small

to medium sized businesses are not included either. Such as Taobao and Jingdong. Also, the on-line shops of traditional enterprises are also excluded.

- Some of the marketing communication tools that Vancel has applied are very new and therefore not so many people have heard about them. For further studies, it is better to take a long-term measurement of the brand, since on-line shopping is a new area in the market.

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APPENDIX 1

Original Chinese Questionnaire

您好！这是一份关于“凡客诚品基于顾客感知的品牌建设”调查问卷，大约花费您 7 分钟的时间填写，感谢您的参与。本问卷采用不记名方式填答，所获资料仅供学术研究之用，绝不对外公开，敬请根据自己的实际情况放心填答。谢谢！

基本信息

1. 性别：
 - A. 男
 - B. 女
2. 您的年龄：
 - A. 18 岁以下
 - B. 18-23
 - C. 24-29
 - D. 30-35
 - E. 35 岁以上
3. 请问您经常网购吗？
 - A. 一周一次
 - B. 一月一次
 - C. 一季度一次
 - D. 一年一次
 - E. 几乎不
4. 进行网购时，您最关注产品哪个方面：（最多选择两个）
 - A. 品牌知名度
 - B. 价格
 - C. 产品外观与功能设计
 - D. 产品质量与用户体验
 - E. 客户服务质量
5. 最常光顾的 B2C（企业对消费者）自主品牌：（单选）
 - A. 凡客诚品
 - B. 梦芭莎
 - C. 七格格
 - D. 麦考林
 - E. 玛萨玛索
 - F. 其他_____
6. 您是否知道并了解凡客这个品牌：
 - A. 没有听说过这个品牌
 - B. 听说过这个品牌，但没有购物经验
 - C. 听说过这个品牌，且有购物经验

下列问题请根据您对凡客诚品的印象进行作答，谢谢！

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7. 您是从何种渠道听到并了解凡客：（多选）
- A. 凡客官网
 - B. 搜索引擎
 - C. 手机应用程序（Apps）
 - D. 线下广告（如地铁广告，报刊杂志等）
 - E. 线上广告（如网页广告）
 - F. 朋友家人的微博，校内等社交网络
 - G. 邮箱广告
 - H. 其他_____
8. 您对凡客诚品的整体印象为：
- A. 网络购物平台
 - B. 特定的商品种类（如T恤，牛仔裤，帆布鞋，家居用品等）
 - C. 较为信赖的品牌
 - D. 一种随性独立的生活态度
9. 以下哪种描述更为符合您对“凡客诚品”这个品牌名称的印象？
- A. 简明易懂
 - B. 便于记忆与联想
 - C. 含义丰富
 - D. 不易过时
 - E. 独特新颖
 - F. 其他_____
10. 以下哪种描述更为符合您对凡客的标语“凡人都是客”的印象？
- A. 简明易懂
 - B. 便于记忆与联想
 - C. 含义丰富
 - D. 不容易与其他品牌混淆
 - E. 比较能够引起共鸣
 - F. 其他_____

11. 以下哪种描述更为符合您对凡客商标的印象？

VANCL
凡客诚品

- A. 容易记忆与联想
 - B. 设计独特，使人印象深刻
 - C. 较为完整的体现了凡客的品牌形象
 - D. 其他_____
12. 以下哪种描述更为符合您对凡客的产品印象？
- A. 款式颜色丰富，选择余地大

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- B. 产品更新速度快
 - C. 质量优异
 - D. 设计新颖别致
 - E. 大部分产品优雅经典
 - F. 其它 _____
13. 您对凡客诚品的产品价格评价是：（单选）
- A. 价格过高
 - B. 价格较高
 - C. 价格适中
 - D. 价格较低
 - E. 价格过低
14. 您是否支持凡客开设线下商店？
- A. 支持，顾客可以切身感受品牌理念与形象
 - B. 反对，线下商店违背了凡客本身的网络品牌价值
 - C. 不支持也不反对，线上商城可以完整体现凡客的品牌形象
15. 以下哪种推广活动给您留下最为深刻的印象？
- A. 微博话题营销--凡客体
 - B. 明星代言以及开设店铺
 - C. 与 ebay 合作，开发海外市场
 - D. 与苏宁易购联合营销
 - E. “包装盒创意改造”活动
 - F. 其它 _____
16. 以下哪几种描述较为符合凡客代言人—韩寒、王珞丹带给您的印象？（请选择 1~4 项）
- A. 优雅经典
 - B. 质朴自然
 - C. 思想独立
 - D. 开朗活泼
 - E. 时尚炫酷
 - F. 年轻大胆
17. 您是否同意通过凡客诚品的线上广告可以感受到其品牌形象？
- A. 完全同意
 - B. 同意
 - C. 中立
 - D. 不同意
 - E. 完全不同意
- 如果您在凡客有过购物经验，请回答剩余问题，并跳过第 21 题。如果您没有在凡客购物过，请跳过 18, 19, 20 题，直接回答 21~23 题。谢谢！
18. 凡客诚品的商品中，您最满意的是：（多选）
- A. 中低档文化衫

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- B. 中高档衬衫
- C. 裤装或裙装
- D. 鞋包类
- E. 配饰
- F. 化妆品
- G. 家居百货

19. 您对凡客的货到付款这种方式评价如何（每单五元）：（单选）

- A. 方便快捷，非常喜欢，首选货到付款
- B. 价格稍贵，但相比传统物流更倾向于货到付款
- C. 不喜欢货到付款，更喜欢传统物流
- D. 没有倾向，觉得可有可无

20. 您对凡客诚品的官方网站评价如何（请按照符合程度排序 1=完全不符合 2=不符合 3=中立 4=符合 5=完全符合）：

1 2 3 4 5

网站结构清晰，便于操作

网站设计简洁美观

网站运行速度快

支付方式安全

产品信息完整丰富，非常贴心

21. 如果没有过在凡客的购物经验，是什么原因：（多选）

- A. 不放心网购，担心实物与网上图片有误差
- B. 产品质量不好
- C. 款式太旧
- D. 客服服务态度不好
- E. 配送不够及时
- F. 价格过高
- G. 其他 _____

22. 您对凡客有哪些意见与建议：

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Translated English Questionnaire

This is a questionnaire about Vancle's customer-based brand equity. It will take you 6 to 8 minutes to complete. Thanks for your participation!

1. Your Gender:

- a. Male
- b. Female

2. Your Age:

- a. Under 18
- b. 18 – 23
- c. 24 – 29
- d. 30 – 35
- e. Over 35

3. How often do you usually buy on the Internet?

- a. Weekly
- b. Monthly
- c. Quarterly
- d. Yearly
- e. Occasionally

4. What is most/more important to you, when you shop on-line? (choose 1 - 2)

- a. Brand
- b. Price
- c. Appearance and function
- d. Quality and customer experiences
- e. Customer service
- f. The speed and quality of logistics

5. What brand of B2C businesses do you prefer to buy?

- a. VANCL
- b. Moonbasa
- c. QiGege
- d. MecoxLane
- e. MasaMaso
- f. Other _____

6. Have you ever heard about this brand?

- a. I never heard about this brand.
- b. I have heard about it but have no shopping experience.

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- c. I have heard about it and also have shopping experience.

Please answer the following questions according to your own impression of Vancl

7. How do you know VANCL? (Multiple)

- a. The official website of VANCL
- b. Search engines
- c. Apps or widgets
- d. Off-line advertisements (like magazines, metro advertising)
- e. On-line advertisements (like banners)
- f. Social networks (like blogs of friends, family, colleagues, classmates)
- g. E-mail advertisement
- h. Other _____

8. What's your general impression of the brand -- "VANCL"?

- a. On-line shopping platform
- b. One or several particular merchandise (for example, T-shirt, jeans, canvas shoes, Household Articles or others)
- c. One reliable brand
- d. An independent and natural-respecting life attitude

9. How do think of the brand name – VANCL?

- a. Clear and easy to understand
- b. Easy to remember and recall
- c. Plenty of meaning
- d. Followed by global trend and not easy to outdated
- e. Unique and special symbol
- f. Other _____

10. How do think of the slogan – "Every people are our customer"?

- a. Clear and easy to understand
- b. Easy to remember and recall
- c. Plenty of meaning
- d. Easy to identify and recognize from other brands
- e. Easy to arouse sympathy in audience
- f. Other _____

11. How do you think of the Logo of VANCL?

VANCL
凡客诚品

- a. Easy to remember and recall

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- b. Leave a deep impression to people
- c. Completely represent the image of Vancl
- d. Other _____

12. How do you think about its products?

- a. Multiple choices of color and design style
- b. New product comes quickly
- c. Good quality of products
- d. Fashionable and simple design style
- e. Most products are designed elegantly and classically
- f. Other _____

13. What's your impression of the products' prices?

- a. Too high
- b. Above normal
- c. Moderate Price
- d. Lower than normal
- e. Too cheap

14. What's your opinion of building the Off-line shops for VANCL?

- a. I agree, because customer can feel brand idea and image by real experiences.
- b. I disagree, because off-line shops may be against the original brand image of Internet-based.
- c. Neither agree nor disagree, because on-line shops completely present brand image of VANCL

15. Which promotion activities impress you most?

- a. Microblog advertising -- Vanclize
- b. Celebrity endorsement and design products
- c. Corporation with EBay
- d. Cross-promotion with Suning (It is one of malls that sell household appliances)
- e. Game of reuse of packing boxes
- f. Other _____

16. What description of Vancl's advertising endorsers (Han Han & Wang Luodan) is coincidence with your impression? (Choose 1 to 4)

- a. Elegant and classic
- b. Simple and nature
- c. Thoughtful and independent
- d. Cheerful and Lively
- e. Cool and Fashion
- f. Young and Boldness

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17. Do you agree that you can feel its brand image through the on-line advertisement?

- a. Completely agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Completely disagree

If you have shopping experience in Vancl, please answer the rest questions except 21; If you don't have experience in Vancl, please skip 18-20 and answer 21-23 directly. Thank you!

18. Among all the products of VANCL, what kind of product most satisfied you?

- a. Low-standard T-shirts
- b. High-standard shirts
- c. Pants or skirts (dresses)
- d. Shoes and bags
- e. Accessories
- f. Cosmetics
- g. Home supplies

19. How do you think of the unique distribution channel in VANCL -- cash on delivery?

- a. It is so convenient and reassuring that prefers this method most.
- b. The price is a little expensive, but prefers this method to traditional ways.
- c. I don't like the cash on delivery and prefer the traditional ones.
- d. I have no preferment of the two types.

20. How do you think of the official website of VANCL?

Please state how much you agree with the following statements by circling the right alternative (1 = Totally disagree / 2 = Slightly disagree / 3 = Neither agree nor disagree / 4 = Slightly agree / 5 = Totally agree):

1 2 3 4 5

Clear structure and easy to operate

Simple and beautiful website design

Fast operation speed

Security on-line payment system

Complete and abundant products' information

21. If you don't have experiences on VANCL, why not?

- a. Descriptions on Internet don't match products.
- b. Poor Quality
- c. The design is out of date
- d. Poor customer service

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- e. Logistics can't achieve requirement
- f. Price is too high
- g. Other

22. Do you have any advices for VANCL?
